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SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

JANUARY 18, 1994

FRANK M. JORDAN, MAYOR

COMMISSIONERS

PATRICK A. MURPHY
President

J. STANLEY MATTISON
Vice President

L. ANDREW JEANPIERRE

MARIE K. BROOKS

MICHAEL S. STRUNSKY

LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission

January 18, 1994

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Minutes
of the
Airports Commission Meeting

January 18, 1994

A court reporter's transcript is available.

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Patrick A. Murphy, President
	J. Stanley Mattison, Vice President
	L. Andrew Jeanpierre
	Marie K. Brooks
	Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 21, 1993 were adopted by order of the Commission President.

No. 94-0001

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mattison asked about the status of the Terrace Room complaint.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was put over.

1. BART to SFO Extension

Resolution to reaffirm support for BART
extension to SFO and formalize criteria

the Airports Commission will use in evaluating BART's proposal.

Item No. 2 was adopted unanimously as amended.

2. Resolution Establishing Bureau of Administration

No. 94-0002

Item Nos. 3 and 4 were adopted unanimously.

3. Lease for Duty Free/In-Bond Merchandise Sales

No. 94-0003

Resolution authorizing staff to accept bids for the Lease for Duty Free/In-Bond Merchandise Sales.

4. United Airlines - Lease No. 66-0171
Plot 1C Relinquishment and Approval of Lease for Plot 1J

No. 94-0004

Resolution approving early relinquishment of UAL's Plot 1C, reimbursement of UAL's unamortized value of improvements on Plot 1C, and leasing a portion of Plot 1 (Plot 1J) for vehicle parking.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 5 through 12 were adopted unanimously.

5. Modification No. 3 of Lease and Use Agreement No. 82-0125, Trans World Airlines, Inc.

No. 94-0005

Resolution approving modification of TWA's Lease and Use Agreement.

6. South Terminal Boarding Areas "B" and "C" Subleases to Minority-owned and Woman-owned Business Enterprises

No. 94-0006

Resolution approving Host's Sublease of Fisherman's Wharf Shop and Flower Cart to Thoi Nguyen & Raphael Chan-Sew, and the Sublease of the California Product Shop and a portion of the SOMA Outlet to the California Shoppe.

7. Design Approval - Boarding Area "A" Retail Concession Lease A-1 - Charnel Company, Inc.

No. 94-0007

8. Modification No. 1 to Legal Services Contract with Lempres & Wulfsberg to Increase Contract Amount

No. 94-0008

Resolution approving Mod. No. 1 of contract with law firm of Lempres & Wulfsberg to increase the amount by \$50,000.00.

9. Reject All Bids - Contract 1723 - Approve Re-Advertisement and Re-bid of Contract 1723R - Firehouse No. 2 Replacement

No. 94-0009

Resolution to reject all bids for Contract 1723 and approve re-advertisement and re-bid of Contract 1723R.

10. Declaration of Emergency - Contract No. 3349
Emergency Cable Replacement - Cable 4AJ-1

No. 94-0010

Resolution ratifying the action of the Commission President in declaring an emergency and authorizing immediate start of work to replace Cable 4AJ-1.

11. Proposed Supplemental Exhibitions

No. 94-0011

Resolution to approve supplemental exhibitions to existing exhibition schedule.

12. Resolution Ratifying Personnel Actions

No. 94-0012

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

G. SPECIAL ITEM:

The vote to deny Quake City Shuttle's Appeal was unanimous.

13. Quake City Shuttle Appeal

No. 94-0013

* * *

H. NEW BUSINESS:

There was no new business.

* * *

I. CORRESPONDENCE:

There was no discussion.

* * *

J. CLOSED SESSION:

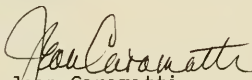
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to discuss pending litigation entitled CCSF v CCAG; and, Government Code Section 54957 to discuss personnel matters.

On motion by Commissioner Brooks and a second by Commissioner Mattison, the Commission unanimously decided not to disclose the nature of its closed session discussions.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:15 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION

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MINUTES

FEBRUARY 1, 1994

FRANK M. JORDAN, MAYOR

COMMISSIONERS

PATRICK A. MURPHY
President

J. STANLEY MATTISON
Vice President

L. ANDREW JEANPIERRE

MARIE K. BROOKS

MICHAEL S. STRUNSKY

LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission

February 1, 1994

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Minutes
of the
Airports Commission Meeting

February 1, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:03 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Patrick A. Murphy, President
	J. Stanley Mattison, Vice President
	L. Andrew Jeanpierre
	Marie K. Brooks
	Michael S. Strunsky

* * *

C. DIRECTOR'S REPORTS:

1. Supreme Court Decision on Grand Rapids Case - Oral Report

Ms. Mara Rosales, Airports General Counsel explained that the Northwest Airlines v County of Kent case is one in which several airlines sued an airport contending that the fees that they were charged were unreasonable. The airlines argued that the airport charged them 100% of the airfield cost while undercharging general aviation and not charging airport concessionaires. The airlines contended that concessionaires benefitted, at least indirectly, from aircraft operations and should be charged a portion of the airfield costs. This would reduce the amount of fees that the airlines shoulder.

Ms. Rosales said that the challenge was brought under the Federal Anti-Head Tax Act and the Commerce Clause. The Supreme Court ruled in favor of the airport, indicating that both the fees and the fee methodology used by the airport were reasonable. The Supreme Court pointed out that the airlines were charged only for their use of the airfield and avigational facilities while the concessionaires used only the terminal facilities.

Ms. Rosales explained that the Supreme Court used a test which determines that a fee is reasonable if it is based on some fair approximation of use of the facilities and is not excessive in relation to the benefits conferred.

Ms. Rosales said that although this is a good case in general for airports it does not directly impact San Francisco because of our agreement with the airlines regarding how fees are assessed.

Commissioner Mattison asked if the case illustrated what could and could not be done with the excess revenue collections. He said that the airlines argued that the accumulation of surplus cash flows by virtue of the fact that the concessionaires revenues were being collected by the airport and retained for future expenditure and that was somehow unfair. The airlines believed that their landing fees should go down and concessionaires fees should be raised.

Ms. Rosales responded that the airlines raised that issue in the lower courts. The Supreme Court said that that issue was not a proper one under the Anti Head Tax Act because airports can charge aircraft operators reasonable fees. The issue of whether they were charging concessions fees or surplus generated by concessions at airports was not properly a subject before them under that Act. She said that basically the Supreme Court ducked that issue.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Murphy mentioned that he and Commissioner Strunsky will meet with the Mayor tomorrow to discuss a BART alternative for the Airport. He said that this is in its infancy and he did not know if it would get anywhere. He said that both he and Commissioner Strunsky made it clear that they were attending these meetings in an individual capacity and were not committing the Airport or the Airports Commission to anything.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item nos. 2 and 3 were adopted unanimously.

2. Approval of Rental Car Architectural and Engineering Costs

No. 94-0014	Resolution approving initial architectural and engineering costs for Plot 1 Interim Rental Car Facilities and authorizing reimbursement of up to \$800,000.
-------------	---

Mr. John Martin, Deputy Director, Business and Finance, explained that this will cover relocation costs for Hertz, Avis and National. This project will allow site clean-up work to begin at cost to the rental car companies. It will pave the way for construction of the Ground Transportation Center and the new International Terminal. The rental car companies will be required to have 30% M/WBE participation in

their construction, architectural and engineering contracts. The Commission will be asked to approve a construction budget in March.

Commissioner Mattison asked if we had an estimate on construction costs.

Mr. Martin responded that the estimate for relocation costs is \$4-million. Site preparation work will run between \$2.5-million and \$3-million.

Commissioner Mattison asked if that figure included relocation back into the facility.

Mr. Martin responded that it does not.

Mr. Turpen explained that the Airport reimburses for any interim relocation necessary to facilitate the Airport's program. Final moves are the responsibility of the individual tenant.

Commissioner Mattison asked if there are any improvements being done now that will have residual benefit in the Master Plan.

Mr. Martin responded that there will be some remaining values in programs such as the car wash facility and possibly fuel tanks.

Commissioner Strunsky asked if this was part of the Master Plan or part of the Five-Year Capital Projects Plan.

Mr. Martin responded that it is part of the Master Plan. When the airlines approved this project it was placed in the Five-Year Plan. All of the Master Plan projects will eventually become a part of the Five-Year Plan.

Commissioner Strunsky noted that \$800,000.00 is being spent on design and engineering for approximately \$7-million worth of construction.

Mr. Martin responded that that is the estimate.

3. Supplemental Appropriation for New Positions Related to Implementation of the Airport Master Plan

No. 94-0015

Resolution authorizing Director to request a \$301,000.00 Supplemental Appropriation from the Mayor and Board of Supervisors to create 27 new positions to support the implementation of the Airport Master Plan.

Mr. Martin explained that this item authorizes the Director to request a \$301,000.00 supplemental from the Mayor and Board of Supervisors to add 27 positions related to the Master Plan. The need for these positions at this time coincides with the start of design work on the Master Plan. The annual cost of the positions will be \$1.4-million.

Commissioner Mattison asked what the time frame would be for bringing these employees on board.

Mr. Martin responded that the Airport was requesting funding for the positions beginning April 15 and expected the employees to be on board between April 15 and July 1.

Commissioner Brooks asked if this was within the original budget.

Mr. Martin responded that these are new positions and they are not included in the current budget.

Mr. Turpen added that the alternative would be to delay until July 1, but timing considerations make this more appropriate. There appears to be general agreement within the City that this will be supported.

Commissioner Strunsky said that these jobs are directly related to the Master Plan and we are asking the City to fund \$301,000.00.

Mr. Turpen explained that the Airports Commission's budget must be approved by the Mayor and the Board of Supervisors. The budget is then frozen and cannot be increased without going through the same process again. He added that this is Airport revenue, not General Fund revenue. There will be no financial impact on the City.

Commissioner Mattison asked how many of these positions might be filled by people who are presently on the City payroll, i.e. employees who may have transfer rights or who may be losing jobs.

Mr. Martin responded that there are only three positions on this list that are unique to the Airport so there will be many job opportunities for other City staff members.

Commissioner Murphy assumed that these jobs will be posted.

Mr. Turpen responded that that is standard Civil Service procedure.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 4 and 6 through 8 were adopted unanimously. Item no. 5 was put over.

4. Award of Contract No. 1962 Professional Services for Waste Treatment Plant Improvement

No. 94-0016	Resolution to award Contract 1962, Professional Services for Waste Treatment Plant Improvement to CH2M Hill for \$640,000.00
-------------	---

Commissioner Strunsky asked if this was related to the Master Plan.

Mr. Ernie Eavis, Principal Engineer responded that there were five or six projects in the Five-Year Plan that were approved some time ago. The Sewage Treatment Plant will be enlarged to accommodate the Master Plan. The majority of the work is replacement of the worn out Domestic Treatment Plant and Industrial Waste Treatment Plant.

Mr. Turpen said that he would send a copy of the Five-Year Plan to Commissioner Strunsky.

Commissioner Jeanpierre assumed that this was just part of the on-going modernization program.

Mr. Turpen responded that that was correct. The Master Plan and the routine maintenance upgrading of the Airport facilities are going on simultaneously.

Commissioner Strunsky thought that some of these dollars could be apportioned to the Mater Plan. He said that this tank could be made larger because we will have more gallons to deal with.

Mr. Turpen responded that this project is in the Five-Year Plan and is being funded by the airlines. The bonds will be repaid by the airlines. This is one of those projects that is really for current use and not necessarily a Master Plan driven project. He said it is an accommodation for the Master Plan but not a result of the Master Plan.

Item no. 5 was put over.

5. AMPCO Parking Agreement - Exercise Option

Resolution exercising the third option of AMPCO's Operating Agreement for Public Automobile Parking Facilities.

Commissioner Mattison asked how AMPCO was performing.

Mr. Turpen responded that he will return to the Commission with some hard facts at a later date.

Mr. Turpen reminded Commissioner Mattison that this item was being put over.

6. Retirement Resolution: James Culjak

No. 94-0017

7. Travel/Training for FY 1993/94

No. 94-0018

8. Resolution Ratifying Personnel Actions

No. 94-0019

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

G. NEW BUSINESS:

There was no discussion.

* * *

H. CORRESPONDENCE:

There was no discussion.

* * *

I. CLOSED SESSION:

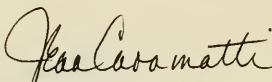
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to discuss the following pending litigation: (1) Millbrae, Brisbane et al v Airports Commission; (2) Sierra Point Associates Two, The Koll Company v CCSF; and, (3) CCSF v CCAG; Government Code Sections 54956.9(b)(1) to discuss potential litigation; and, Government Code Section 54957 to discuss personnel matters.

On motion by Commissioner Brooks and a second by Commissioner Mattison, the Commission's decision not to reveal the nature of its closed session discussions was unanimous.

* * *

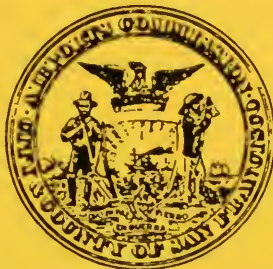
J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.


Jean Caramatti
Commission Secretary

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MINUTES

FEBRUARY 15, 1994

FRANK M. JORDAN, MAYOR

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PATRICK A. MURPHY
President

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Vice President

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LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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of the Minutes
Airports Commission

February 15, 1994

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K.	ADJOURNMENT:	10

Minutes
of the
Airports Commission Meeting

February 15, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Patrick A. Murphy, President
J. Stanley Mattison, Vice President
Marie K. Brooks
Michael S. Strunsky

Absent: L. Andrew Jeanpierre

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meetings of January 18, 1994 and February 1, 1994 were adopted by order of the Commission President.

No. 94-0020

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item no. 1 was adopted unanimously.

1. Rejection of Proposals Received for Door-to-Door Shuttle Van Service Agreements

No. 94-0021

Resolution rejecting Proposals received for two Door-to-Door Shuttle Van Service Agreements.

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F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 2 through 6 were adopted unanimously.

2. Trans World Airlines, Inc.

Revised Modification No. 3 of Lease and Use Agreement No. 82-0125

No. 94-0022

Resolution approving revision of Mod.
No. 3 to Trans World Airlines, Inc.'s
Lease and Use Agreement No. 82-0125.

3. Bid Call - Contract No. 3359

International Terminal - Sixth Floor Conference Room and Offices

No. 94-0025

Resolution approving scope, budget and
schedule for Contract 3359 and
authorizing the Director of Airports
to call for bids when ready.

4. Authorization to Execute National Oceanic and Atmospheric
Administration License

No. 94-0023

Resolution authorizing Director to
execute National Oceanic & Atmospheric
Administration License to Install
Automated Service Observing System
(ASOS).

5. Design Approval - International Terminal Connector Hair Salon Lease

No. 94-0024

Resolution approving the Tenant
Improvement design for the
International Terminal Connector Hair
Salon Lease.

6. Travel/Training for FY 1993-94

No. 94-0026

G. PUBLIC HEARING:

The public hearing was convened at 9:02 AM and adjourned at 9:03 AM, there being no requests from the public to speak.

7. Hearing on Proposed FY 1994/95 Budget

Mr. John Martin, Deputy Director, Business and Finance explained that the proposed budget for FY 1994/95 of \$211.6-million represents a 0.4 percent increase over the current budget. This compares to a projected 3 percent inflation rate and a projected 3.5 percent growth in passengers. The budget provides for additional home insulation funding, increased funding for the ground transportation program and mitigation programs under the Master Plan.

Commissioner Murphy assumed that our cost per enplaned passenger is still going down.

Mr. Martin said that it is.

Mr. Martin added that the airlines reviewed the budget on February 8 and had no major concerns.

Mr. Turpen said that the Commission will be asked to approve the budget at its next regularly scheduled meeting.

The public hearing was convened at 9:03 AM and adjourned at 9:06 AM, there being no requests from the public to speak.

8. Hearing on Proposed Amendments and Additions to Airport's Rules and Regulations

Mr. Turpen told the Commission that this is an update of the Airport's Rules and Regulations. Most of these changes reflect prior actions of the Commission but includes some new incorporations with respect to the smoking ordinance. We will try to update the Rules and Regs every year to 18 months. A new booklet will be provided to tenants.

Commissioner Murphy asked about the status of the hearing officer.

Ms. Mara Rosales, Airports General Counsel responded that it is in final draft form.

Ms. Virginia Conway asked for the update of the new Rules.

Mr. Turpen told Ms. Conway that a copy will be provided to her.

* * *

H. NEW BUSINESS:

Mr. Michael Pappas, Broadcast Arts student at the College of San Mateo said
Minutes, February 15, 1994, Page 5

that Focal Point is produced on a monthly basis on Channel 60. The program airing March 3 will deal with the Airport expansion and its ramifications from both the Airport's view and concerned citizens.

Mr. Pappas said that the panel discussion will include the moderator, David Halsley, General Manager of KCSM-TV-Radio, Janet Fogarty and Brad Kerwin. Mr. Turpen, through Ron Wilson, was also invited and his participation was confirmed. Air time and studio time were booked based on that confirmation. They were later told that Mr. Turpen would not be participating.

Mr. Pappas said that this program would provide the citizens of San Mateo and those residents of San Francisco who receive Channel 60 with a balanced update of what is going on with the Airport. He requested the Commission's assistance in providing a spokesperson to represent the Airport's position on this program.

Mr. Pappas said that they will tape on Wednesday, February 23 and the program will air March 2.

Commissioner Murphy asked why two dissidents were selected instead of the vast number of people who are in favor of the Master Plan. He asked why Art Pulasky couldn't be an alternative.

Mr. Pappas responded that they received assurances that Mr. Turpen would be participating in the program and went forward based on that information. He said that he was not involved in the negotiations or contacts with Mr. Wilson.

Commissioner Murphy said that since Mr. Pappas was not involved in the negotiations he could not know exactly what was said.

Mr. Ron Wilson, Director of Community Affairs explained that he does not believe that any assurance was given to KCSM that Mr. Turpen or any member of the Commission would participate. There has never been, until this morning, a date given to us or established that this program would air. Consequently, neither Mr. Turpen nor any member of the Commission could commit to a time or date. It was his understanding that the date cannot be changed and he believes that Mr. Turpen is not available on that date.

Commissioner Murphy said that he has never had any hesitancy to represent the Airport's position in San Mateo. He said that he will not appear on any television program and he asked that the Commission instruct Mr. Turpen not to appear on any television program with people with whom we are in litigation. These people have litigated and lost. They are a fringe element in the community. He attended three public meetings and an Airports Commission meeting in San Mateo County. He suggested to Mr. Pappas that if he wants a varied point of view he should ask Shelley Kessler and Art Pullasky of the Labor Council. They can hold their own with those two. He said he was sorry the Commission can't help him.

Mr. Michael Rubin, attorney for Royya's Transportation, Inc. dba Express Airport Shuttle said that he was seeking either extraordinary relief or

guidance from the Commission. He explained that on Friday, December 17 his clients PUC operating rights were suspended by the PUC pending a hearing, which had not been scheduled, to revoke those rights.

Mr. Rubin said that the finding was of imminent danger to the public and was based on vehicle safety problems and failure to enroll drivers in the Pull-Notice Program of the California Highway Patrol. All of the evidence that was presented at the hearing spoke no later than about August. His client has made improvements to the quality of his fleet since August.

Mr. Rubin said that his client had a three (3) day hearing beginning December 27 at PUC. At that time they started to present a case for the reinstatement pending a revocation hearing. At that meeting the Administrative Law Judge made a list of requirements that would have to be met before his client could be reinstated pending a revocation hearing.

Mr. Pappas said that while that was going on the Airport Landside Operations staff sent a letter revoking his clients Airport upper level permit. It was delivered during the week of December 27. When the notice was received he was not aware of the 10-day appeal period to this Commission. He admitted his error in failing to investigate it. He said that the letter instructed his client to call Mr. Fein but did not set out notice of appeal rights.

Mr. Rubin said that he told his client at the time that there was nothing he could tell Mr. Fein that he did not already know as Mr. Fein had been apprised by the PUC of everything that had been going on. He told his client that he had a legal impediment to his making any convincing argument on appeal. He thought the more important thing to do was to get his PUC operating rights reinstated pending a revocation hearing and then approach Landside Operations about an interim operating permit pending the permanent reinstatement of his PUC operating rights.

Mr. Rubin said that his client has spent thousands of dollars bringing his fleet up to a point where it would pass California Highway Patrol inspection. He assured the Commission that his client's fleet is in better condition now than most of the vehicles currently operating at the Airport.

Mr. Rubin said that on February 3 the PUC reinstated his clients operating rights pending a hearing scheduled for February 14. Official notice was not received until February 4 and a printed copy of the order was not received until February 7. During that time they spoke with Mr. Fein concerning the means by which they might seek this reinstatement pending the revocation hearing. Also, he was able to have the revocation hearing put over for a month so that his client could build up a history of interim operations that would then be used as evidence of his ability to comply with the law and hopefully would not result in its revocation.

Mr. Rubin said that he spoke to Mr. Fein several times and he suggested a formal request that his rights be reinstated. He also spoke with Ms. Pennypacker who informed him that the 10-day appeal period had expired.

Mr. Rubin said that he is in receipt of a response to his February 7 letter requesting reinstatement or appeal of the revocation. His response from Mr. Turpen denied reinstatement on the grounds that we failed to exhaust the administrative remedies available.

Mr. Rubin said that he has copies of the PUC's February 3 reinstatement order, his February 7 letter seeking either reinstatement or an appeal of the revocation, and Mr. Turpen's letter as of yesterday.

Mr. Rubin said that he did not know what powers the Commission had with respect to ameliorating this problem, nor did he know how good litigation would be.

Ms. Rosales said that while the Commission does not have in place a rule for rehearing that does not mean that the Commission does not have the power to grant a rehearing.

Commissioner Murphy asked what the standards would be for a rehearing.

Ms. Rosales responded that granting a rehearing would set a precedent for future cases. The Commission does have the discretion to grant a rehearing to consider the merits and decide if the revocation should be upheld.

Mr. Turpen added that there is currently in place a moratorium on any further van operations at the Airport. If a company lost its permit the Airport could not allow it to be automatically grandfathered in and reissued a new permit. That was our way of winnowing down the number of companies without creating a negative impact immediately. As companies are eliminated from service at the Airport, future entrants would be kept out based on available seat capacity.

Mr. Fein said that an operator must have a CPUC permit in order to obtain an Airport permit. When this operator's permit was suspended or revoked by the PUC due to imminent danger to the public, Express Airport Shuttle no longer complied with our permit conditions. We currently have a list of companies who have requested permits if new permits are issued. Having revoked Express Airport Shuttle's permit, would they move to the front of the line if any additional permits are issued during the moratorium?

Commissioner Murphy said that the point is that this is a request for reconsideration of the revocation rather than the granting of a new permit.

Mr. Fein said that a PUC hearing was originally scheduled for today to determine if Express Airport Shuttle would be allowed to continue in operation or if their permit would be revoked. He explained that the PUC took emergency action without due process and it has taken six-weeks for PUC to allow the operator to go back into operation. They are now going through the hearing process. We felt that it would be wise to wait until the PUC has completed the hearing process before we dealt with the issue.

Commissioner Murphy said that if we don't have a rehearing process we ought to. He said that every body of law he knows of has some ability to relieve a party from excusable neglect. He felt it would be appropriate to calendar a hearing to consider whether this action should be reconsidered.

Commissioner Murphy noted that Lorries and Mr. Rubin played an active and largely positive role in developing the shuttle van solution at the Airport.

Commissioner Brooks asked how we would eliminate having a rehearing on every issue.

Ms. Rosales responded that if special circumstances are determined here it could set the precedence for establishing a rule in the future. It does not mean that the Commission will necessarily grant a rehearing in this case.

Commissioner Murphy said that it is not atypical to have the concept of rehearing that largely rests in the discretion of the Commission.

Mr. Turpen said that we have historically done that in requests for reconsideration on items.

Commissioner Murphy said that his basic reaction is if we are opening ourselves up to having rehearings for people who suffer economic losses because of actions the Commission takes, that is good.

Commissioner Mattison noted that we would not be dealing with the merits of the evidence considered by PUC.

Commissioner Murphy said that it is up to Mr. Rubin and his client to get back into conformity. We are dealing with the technical issue of an untimely appeal.

Commissioner Strunsky said that he would have trouble with judging if the PUC was correct or incorrect.

Mr. Turpen said that what causes this entire problem is the Airport's moratorium. If that were not the case, then once the PUC dilemma was resolved Express Airport Shuttle could petition the Airport for a permit and that would be it.

Commissioner Murphy said that a simple solution would be to grant a new permit but that does not work because of the moratorium. He said that his point is that there are all kinds of areas of law where failure to get something done can still be relieved on certain showings. He said that he was not suggesting anything more today than to set up a date for consideration of a rule on rehearings and, if approved, conduct a hearing.

Mr. Rubin said that he would be at any hearing the Commission calendars.

Mr. Turpen said that the question is whether or not a rehearing should be granted.

Mr. Rubin said that it is not Lorries, it's Royya's Transportation, dba Express Airport Shuttle. He said that to his knowledge, Lorries has never been accused of the sorts of things that his client has.

Mr. Rubin said that Express Airport Shuttle concentrates its efforts going South from the Airport. He said that because the overcapacity problem is going North from the Airport he is hoping that there is room to allow him back in.

Mr. Rubin said that one of the important things to remember is that when the revocation order came through it was not with notice or an opportunity to be heard. It was based on a decision by the PUC that was also without notice or opportunity to be heard.

Mr. Turpen asked if they will be having a hearing before the PUC.

Mr. Rubin said that it is scheduled for March 14 through 16. It was pushed back in order to allow the company time to get operations at the Airport put back into place. Their permit was reinstated on February 3 pending the revocation hearing. The PUC is prohibited by law from issuing a bench decision at the conclusion of the hearing. An Administrative Law Judge hears these matters. At the conclusion there is a requirement of briefing and a period of time before the briefs are due. The briefs are submitted and the Judge issues a recommended report. There is a period during which the report is criticized. The matter ultimately goes before the Commission. That process cannot be completed in under several months.

Mr. Turpen said staff will come back to the Commission.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

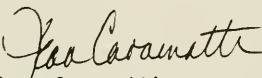
The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to discuss pending litigation entitled CCSF v C/CAG; Government Code Section 54956.9(b)(1) to discuss potential litigation; and, Government Code Section 54957 to discuss personnel matters.

On motion by Commissioner Mattison and a second by Commissioner Brooks, the Commission unanimously voted not to reveal the outcome of its closed session discussions.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 AM to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

MARCH 1, 1994

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LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission

March 1, 1994

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Minutes
of the
Airports Commission Meeting

March 1, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:05 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Patrick A. Murphy, President
J. Stanley Mattison, Vice President
L. Andrew Jeanpierre
Marie K. Brooks
Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 15, 1994 were adopted by order of the Commission President

No. 94-0027

* * *

D. DIRECTOR'S REPORTS:

1. Report on Issue 5 Bonds

Report on the planned sale of the first of the Master Plan Bond Issues.

Mr. Lou Turpen, Airport Director said that approximately \$80,000,000 in bonds will be sold on April 5. This will be the first issue for the Master Plan and will support design costs as well as the first project, the Lot DD parking structure. Our second bond issue will be for \$120,000,000 and is scheduled for November or December of this year.

Commissioner Strunsky asked if there was any resistance to this sale or if it will be more expensive because of problems bond counsel might have with litigation.

Mr. Turpen responded that there might be 20 basis points due to questions of litigation, but that's minor. Staff believes that moving ahead will probably be better than delaying because overall interest rates should still be below 6, possibly 5.75. Our current debt is 6.4.

Commissioner Mattison felt that with the way rates are moving it will eat up the 20 basis points in the market.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Murphy said that there have been some reports in the press about an agreement reached concerning the on-Airport alternative to a BART configuration. He assured the other members of the Commission that the reports are erroneous. There is no agreement.

Commissioner Mattison asked if this was driven by the discussion of new alternatives or is it part of an evaluation analysis.

Commissioner Murphy said that he did not know where the story came from but believed that it referred to recent discussions with the Mayor on the various on-Airport alternatives. At present, they are simply alternatives.

Commissioner Mattison said that the Commission is still anxious to receive from BART their preferred alternative.

Commissioner Murphy said that BART suggested making a presentation to the Commission several months ago. He felt that now might be the appropriate time for that presentation.

Mr. Turpen said that the invitation to address the Commission was extended but he has not received word back from BART.

Commissioner Murphy suggested that their failure to respond could be the result of the recent change in personnel at BART. He suggested that Mr. White might come and make a presentation.

Mr. Turpen said that he would regenerate that request.

Mr. Turpen said that he believed that BART failed to meet its February 28 completion date for its EIR. BART was looking at seven alternatives which ranged from the CalTrain right-of-way to the center of the garage. He said that the draft EIR was due February 1994. The public review period is scheduled for April 1994. The EIR was scheduled for completion in August, and the project is to be adopted by September 1st.

Commissioner Mattison said that if we are getting closer to the top two or three alternatives to be considered and evaluated, he would like staff to take another stab at some basic generic criteria so that the proposals can be considered and evaluated when presented and a response formulated. He would also like to determine the basic ridership coming to the Airport. People use one of five modes of transportation to the Airport and we are

trying, under the Master Plan, to integrate those modes of transportation for the best customer service package possible. While money will be a factor, we are primarily concerned with the level of service and with integrating, intermodally, all forms of public mass transit that access the Airport. He believes that developing a matrix comparing that experience will be beneficial. With the criteria established, the comparison of logistics and the budget laid out in front of us, we will be well armed and prepared to move ahead when the time comes.

Commissioner Murphy said that unless it is inconsistent with BART's EIR process, it's time for Mr. White to explain their preferred alternative to the Commission, and how it fits into the various modes of transportation to the Airport.

Mr. Turpen said that the letter of invitation will be regenerated tomorrow.

Commissioner Murphy reiterated his comment of a couple of meetings ago ... that if BART is to explain the alternatives, the Commission would like a package in advance of that meeting.

Mr. Turpen said that staff has been working on the matrix and it will be finalized soon.

* * *

2. Master Plan Groundbreaking Ceremony - Oral Report

Mr. Turpen said that a groundbreaking ceremony to commemorate the beginning of the Master Plan program will be held on March 10. The Commission's action today on agenda item no. 3 and the bond sale on April 5 will mark the beginning of that activity.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item nos. 3 and 4 were adopted unanimously.

3. Bid Call - Contract No. 2801 - Parking Structure on Lot DD

No. 94-0028

Resolution approving the scope, budget, and schedule for Contract 2801, Parking Structure on Lot DD and authorizing the Director to call for bids when ready. The contract is within the scope of the Master Plan Program, approved by the Airports Commission on Nov. 3, 1992. The program EIR prepared for the Master Plan adequately describes this contract and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Turpen said that this is the first project under the Master Plan. The garage will contain 3,000 spaces and will provide for relocation of parking in order to accommodate some construction.

Mr. Turpen said that historically we have pursued a philosophy of separating construction from the operation of the Airport wherever possible. That philosophy has worked very well for us. We will continue to employ that same philosophy to the extent that we can.

Commissioner Strunsky said that it is his understanding that this job is being looked at from an engineering point of view. In light of the impact of the Los Angeles earthquake and the knowledge that was gained from it, staff has an excellent idea. He asked if it's been completed.

Mr. Gene Bordegaray, Administrator, Bureau of Design and Construction responded that the reevaluation is in progress and he expects it to be completed in about three weeks.

Commissioner Strunsky asked if it will add substantial cost to the project.

Mr. Bordegaray responded that it looks as though the current design is sufficient and avoids the kinds of problems that were encountered in Los Angeles. A second check will be made to make sure that is the case. If a redesign or a different type of construction is necessary, an increase in the budget may result. At this point he does not think that has to be done.

Commissioner Mattison noticed that this calendar contains an item that increases the budget back to its original level in order to go with poured-in-place rather than pre-stressed construction.

Mr. Bordegaray said that a mixture of pre-cast and poured-in-place concrete will be used. A higher standard would be to use all poured-in-place, but we don't think that is necessary. That would increase the budget.

Mr. Turpen said that airline approval has been secured.

4. Authorization to Conduct a Pre-Bid Conference for on-Airport Limousine Service Operating Agreement

No. 94-0029

Mr. Turpen explained that our limousine agreement is coming to an end and it is our intention to move forward with a pre-bid conference. Staff has outlined the elements that will be presented to the industry and will solicit their reaction. Staff will brief the Commission after the pre-bid and offer attendee comments and proposed amendments.

Mr. Turpen felt this contract worked well and solved a lot of problems.

Commissioner Mattison agreed that it did seem to be working well.

Item no. 5 was put over to the end of the calendar.

5. Request for Hearing on the Revocation of Express Airport Shuttle's Airport Operating Permit

94-0030

Express Airport Shuttle has requested a hearing before the Commission on the December 23, 1993 revocation of its Airport permit.

* * *

Commissioner Murphy asked Mr. Turpen how Mr. Bouey's project on minority contractors was coming.

Mr. Turpen responded that he will have to check on the status.

Commissioner Murphy asked for a thorough report at the next meeting telling the Commission that it is in place and ready to go. He said that if there is a problem he would like to know about it.

Commissioner Jeanpierre briefed the Commission on the recent seminar hosted by the Airport on minority opportunities. He said that about 150 people attended. United Airlines, AMPCO and others set up booths and made presentations. The Airport spoke on how to seek employment at the Airport.

Commissioner Jeanpierre said that the feedback from attendees was positive.

Commissioner Murphy asked if it made sense to repeat this seminar.

Commissioner Jeanpierre thought that it did. He said that it might be a good idea to hold it in various communities.

Mr. Turpen said that as the emphasis changes we will get into construction opportunities and retail concessions. We will change the theme when we have the next change in emphasis.

Commissioner Jeanpierre agreed and said that this seminar did not address the A&E side.

Commissioner Murphy said that when the program is in place and ready to go we will figure out what to do and how to publicize it.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 6 through 14 were adopted unanimously.

6. Approval of FY 1994/95 Budget

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7. Approval of Amendments and Additions to Airport Rules and Regulations

No. 94-0032

8. Additions to the Five-Year Capital Projects Plan

No. 94-0033

Resolution approving \$97.4 million in additions to the Airport's Five-Year Capital Projects Plan.

9. Bid Call - Contract 3298 - Dike Stabilization at Plot 42 and North Access Road

No. 94-0034

Resolution approving the scope, budget and schedule for Contract 3298, and authorizing the Director of Airports to call for bids when ready.

10. Bid Call - Contract 3224 - International Terminal - F.I.S. Public Area - Heating and Ventilating Improvement

No. 94-0035

Resolution approving the scope, budget and schedule for Contract 3224 and authorizing the Director of Airports to call for bids when ready.

11. Delta Air Lines, Inc. Lease No. PUC 67-0214 - Approve Sublease to Airport

No. 94-0036

Resolution approving sublease of office space to Airport from Delta Air Lines under Lease No. PUC 67-0214.

12. Contract with RIDES for Bay Area Commuters

No. 94-0037

Resolution authorizing a contract with RIDES for Bay Area Commuters to provide ground transportation information on the Airport's Ground Transportation Hotline and to provide other services related to Trip Reduction programs.

13. Travel/Training for FY 1993/94

No. 94-0038

14. Resolution Ratifying Personnel Actions

No. 94-0039

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

Commissioner Murphy announced that Item No. 5 would be discussed at the end of the Closed Session and that Item No. 15 may or may not be discussed.

K. CLOSED SESSION:

The Airports Commission recessed its meeting at 9:25 AM to go into closed session and reconvened its meeting at 9:50 AM.

The Airports Commission will go into closed session in accordance with Government Code Section 54956.9(a) to discuss the following pending litigation: (1) CCSF v C/CAG; (2) Millbrae, Brisbane et al v Airports Commission; and, (3) Sierra Point Associates Two, The Koll Company v CCSF; Government Code Section 54956.9(b)(1) to discuss potential litigation; and, Government Code Section 54957 to discuss personnel matters.

Commissioner Murphy made a motion to disclose Jackson Wong's appointment as Deputy Director of Facilities Operations and Maintenance. Commissioner Jeanpierre seconded the motion.

The vote to disclose this information was unanimous.

* * *

The Commission voted unanimously to suspend the revocation of Express Airport Shuttle's permit pending final action by the PUC.

5. Request for Hearing on the Revocation of Express Airport Shuttle's Airport Operating Permit

Express Airport Shuttle has requested a hearing before the Commission on the December 23, 1993 revocation of its Airport permit.

Mr. Turpen explained that Express Airport Shuttle requested a hearing before the Commission on the basis of a December 23 revocation of its Minutes, March 1, 1994, Page 9

permit. That revocation was instigated by the CPUC's suspension of their operating rights. In early February the CPUC lifted its suspension pending a hearing to be held on March 14.

Mr. Turpen recommended, based on this information, that the revocation of Express Airport Shuttle's permit be suspended or held in abeyance until such time as the CPUC action is concluded. His recommendation is subject to Express Airport Shuttle's obligation to meet the criteria of the current operating permit and its standards for service for all ground transportation operators as established by Landside.

Commissioner Mattison said that the point is that the CPUC action that caused the revocation was temporarily reversed until a hearing could be held. Therefore, the Airport's revocation should be temporarily suspended until the CPUC takes action. If the CPUC upholds its decision, the revocation will go back into effect.

Mr. Turpen said that there have been some changes throughout this event in the obligations of the ground transportation operators. Those changes apply to everyone.

Commissioner Murphy said that if the CPUC decides not to uphold the suspension, the Airport's suspension will be revoked as well and they will be subject to all rules, regulations, training requirements, insurance, inspection and so forth.

Mr. Turpen said that if they are terminated they will fall into another category of transit operator and be subject to the moratorium.

Mr. Turpen said that he is recommending that the Commission ratify his action of temporarily reinstating the permit pending the CPUC's final action and subject to the new permit requirements.

Mr. John Rubin, Attorney for Express Airport Shuttle appreciated the opportunity for his client to go back in operation. He said that he could not ask for anything more.

Mr. Turpen suggested that Mr. Rubin talk with Mr. Fein right after the meeting to begin the process.

Mr. Richard Molsner, CPUC, said that he was the investigator who initiated the investigation. The immediate suspension was due to what the CPUC considered to be imminent danger. The order allowed the carrier to have its fleet inspected and to comply with DMV Pull-Notice requirements. That was completed in January. It does not change the order to investigate. The revocation hearing was originally scheduled for February 14 and rescheduled to March 14.

Mr. Turpen asked how long it will take the CPUC to come to a decision after the revocation hearing.

Mr. Molsner responded that it will take at least 30 days.

Mr. Rubin said that it can take considerably longer in his experience. The CPUC's formal process includes the decision of an Administrative

Law Judge. There is a reconsideration period when exceptions are filed and remain pending before the Commission. The entire process could last several months.

Commissioner Brooks asked if the CPUC has any controls over limousine service and taxicabs.

Mr. Mulsner responded that they have control over limousines but not taxicabs.

Mr. Mulsner said that he had a copy of the order instituting the investigation and the interim order reinstating the carrier.

Commissioner Murphy said that the Commission did not need copies as long as staff had them.

* * *

H. SPECIAL ITEM:

15. Express Airport Shuttle Hearing

This hearing will proceed only in the event the Commission decides to hear Express Airport Shuttle's appeal. Reference Item No. 5.

The hearing was not held.

* * *

I. NEW BUSINESS:

There was no discussion by the Commission.

* * *


J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:00 AM.


Jean Caramatti
Commission Secretary

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MINUTES

APRIL 19, 1994

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Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission

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27.	Hold Over of Current Medical Clinic Agreement	94-0070	11
28.	Hold Over International & North Terminal Cigarette Vending Lease	94-0071	11
29.	AMPCO Parking Agreement - Exercise Option	94-0072	11
30.	Contract Extension Options - Pacific State Airline Services, Inc. for Skycap Services	94-0073	11
31.	British Airways PLC - VIP Lounge - Reimbursement of Unamortized Improvements	94-0074	11
32.	Pasqua Coffee Bar - Design Approval	94-0075	12
33.	Contract with COFAM - \$120,000.	94-0076	12
34.	Proposed Exhibition in Conjunction with Asian Art Museum, S.F.	94-0077	12
35.	Additional Funding - Contract 3349 - Emergency Cable Replacement - Cable 4AJ-1	94-0078	12
36.	Retirement Resolution - Normal Virgilio	94-0079	12
37.	Ratifying Personnel Actions	94-0080	12
38.	Travel/Training for FY1993-94	94-0081	12

I.	NEW BUSINESS:	
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J.	CORRESPONDENCE:	13

K.

CLOSED SESSION:

Pending Lit: Millbrae, Brisbane; 94-0083
Spaulding & Spaulding; Marx 94-0084

13

L.

ADJOURNMENT:

13

Minutes
of the
Airports Commission Meeting

April 19, 1994

A court reporter's transcript is available.

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:03 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Patrick A. Murphy, President
	J. Stanley Mattison, Vice President
	L. Andrew Jeanpierre
	Marie K. Brooks
	Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 1, 1994 were adopted by order of the Commission President.

No. 94-0041

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced the unanimous adoption of resolution no. 94-0083 regarding the settlement of litigation entitled Spaulding & Spaulding v CCSF; and resolution no. 94-0084 regarding the settlement of litigation entitled Marx v CCSF at the closed session of April 19, 1994.

* * *

D. SPECIAL ITEM:

1. Resolution of Commendation

No. 94-0042

Resolution awarding the "William R. O'Brien Perpetual Award for Employee Excellence" to Roger Case, Electrician Supervisor I.

2. Award of Issue 5 Bonds

94-0082

Resolution awarding the sale of the Issue 5 Bonds.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

3. Briefing by BART Staff

* * *

F. PENDING LEGISLATION:

Item no. 4 was unanimously approved.

4. State Legislation

No. 94-0043

Resolution opposing SB 1742 (Kopp)

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item nos. 5 through 12 were unanimously adopted.

5. Professional Services Contracts: SOM/DCM/MWA; H.O.K. Inc.; Gerson/Overstreet; Fong & Chan, Ross & Baruzzini, Inc.

Resolution to approve the budget and award professional services contracts for the following Airport Master Plan Program Projects:

No. 94-0044

New International Terminal: Skidmore, Owings & Merrill; Del Campo & Maru; Michael Willis & Associates, Joint Venture Architects (SOM/DCM/MWA)

No. 94-0045	New Boarding Area G: Hellmuth, Obata & Kassabum, Inc. (H.O.K. Inc.)
No. 94-0046	New Boarding Area A: Gerson/Overstreet, Architects
No. 94-0047	Boarding Area B, Phase I: Fong & Chan Architects
No. 94-0048	Airport-wide Security System: Ross & Baruzzini, Inc.

6. Award of the Lease for Duty Free/In-Bond Merchandise Sales

No. 94-0049	Resolution awarding Lease for the Duty Free/In-Bond Merchandise Sales to DFS Group L.P.
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7. Award Fixed Base Operations Services Operating Agreement to AMR Combs, Inc.

No. 94-0050

8. Professional Services Contract - Leigh Fisher Associates

No. 94-0051	Translate traffic data developed in the EIR into specific roadway design criteria to develop new roadways and interface with existing physical layout.
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9. Funding Match Sought for Caltrain-SFO Shuttle for 1995-1996

No. 94-0052	Resolution authorizing staff to apply for matching funding for the off-Airport portion of the Caltrain-SFO Shuttle. The Airport's share for the 80% on-Airport portion is approximately \$350,000 annually.
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10. Reimbursement to Hertz, Avis and National for the Construction of Temporary Car Rental Facilities

No. 94-0053	Resolution authorizing reimbursement to Hertz, Avis and National to construction temporary car rental facilities.
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11. Resolution Eliminating 25¢ Refund for Luggage Carts and Modifying Lease 91-0020, Smarte Carte, Inc.

No. 94-0054

Resolution to permanently eliminate the 25¢ refund for luggage carts and modify Lease 91-0020, Smarte Carte, Inc.

12. Reimbursement for Relocating the X-ray Machines in the International Terminal Lobby

No. 94-0055

Resolution to reimburse SFFFC for the relocation of the X-ray machines in the International Terminal Lobby.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 13 through 38 were unanimously adopted.

13. Modification to Contract with O'Brien-Kreitzberg & Associates to Perform Master Plan Programming Tasks and Schedule & Budget Updates

No. 94-0056

Resolution modifying existing contract with O'Brien-Kreitzberg to increase the amount by \$490,000 and extend the completion date to December 31, 1994.

14. Approval of Resolution Increasing Funding of Contract with Law Firm of Morrison & Foerster by Modification in the Amount of \$300,000.00

No. 94-0057

Resolution approving Mod. No. 8 of Agreement with Morrison & Foerster to increase compensation payable by \$300,000; all other terms and conditions of the Agreement to remain in full force and effect.

15. Modification No. 14 of Legal Services Agreement with Morrison & Foerster to Increase Amount Relating to Noise-related Issues Agreement

No. 94-0058

Resolution approving Mod. No. 14 of Agreement with Morrison & Foerster to increase compensation payable by \$50,000. for legal services in connection with noise-abatement issues.

16. Modification No. 8 of Legal Services Agreement with Howard, Rice, Nemerovsky, Canady, Robertson, Falk & Rabkin - \$25,000.

No. 94-0059

Resolution approving Mod. No. 8 of Agreement with Howard, Rice, et al to increase compensation payable \$25,000; all other terms and conditions of the Agreement to remain in full force and effect.

17. Modification of Contract No. 2397 with Cerand & Co., Inc.

No. 94-0060

Resolution authorizing mod. of Contract 2397 with Cerand & Co. to expand scope of services to include procurement, inspection and implementation of the Computerized Parking Control System (CPCS) Enhancement project at a cost not to exceed \$137,000.

18. Host International, Inc. - Rental Credit for Developing Office Space on Behalf of the Airport for Tenant Use

No. 94-0061

19. Advance Approval of Noise Easements

No. 94-0062

Advance approval of addresses for noise easements under the Master Plan MOU.

20. Termination of Permits Issued by the Public Utilities Commission (PUC), Prior to 1971

No. 94-0063

Resolution terminating space and use permits issued by the PUC in order to reissue them to reflect changes in the Charter, Airport policy and Permit language that have occurred.

21. Award Contract 3298 - Dike Stabilization at Plot 42 North Access Road

No. 94-0064

Resolution awarding Contract 3298 to Inter-Coastal, A Joint Venture, in the amount of \$175,980.00.

22. Renew Contract for Media Services to Promote Ground Transportation Services

No. 94-0065

Renew media services contract with DuDell and Assoc., Inc. to promote Ground Transportation Services for one additional year, June 28, 1994 thru June 27, 1995, for \$300,000.

23. Pre-Proposal Conference with Prospective Contractors for the CPCS Enhancement Project

No. 94-0066

Resolution authorizing staff to hold a pre-proposal conference with potential contractors to furnish and install hardware, software programs and peripherals for "Computerized Parking Control System Enhancement" (CPCS) project in accordance with technical specification documents provided by the Airport parking consultant.

24. Authorization to Conduct Pre-Bid Conference for North Terminal Hub Principal Concession Lease

No. 94-0067

Resolution authorizing staff to conduct a pre-bid conference for the North Terminal Hub Principal Concession Lease.

25. Authorization to Conduct Pre-Bid Conference for North Terminal Newsstand Lease

No. 94-0068

Resolution authorizing staff to conduct a pre-bid conference for the North Terminal Newsstand Lease.

26. Bid Call - Contract 3368 - Plot 52 Wastewater Treatment Plant Demolition

No. 94-0069

Resolution approving plans and specs and authorizing Director to call for bids for Contract 3368, Plot 52 Wastewater Treatment Plant Demolition.

27. Hold Over of the Current Medical Clinic Agreement

No. 94-0070 Resolution to hold over, on a month-to-month basis, the current Medical Clinic Agreement until San Francisco General Hospital assumes operation of the Airport's Medical Clinic Program.

28. Hold over of the International and North Terminals Cigarette Vending Lease

No. 94-0071 Resolution approving hold over of the International and North Terminals Cigarette Vending Lease to coincide with the expiration of the South Terminal Cigarette Vending Lease No. 90-0189 on December 18, 1994.

29. AMPCO Parking Agreement - Exercise Option

No. 94-0072 Resolution exercising the third option of AMPCO's Operating Agreement for Public Automobile Parking Facilities.

30. Contract Extension Options - Pacific State Airline Services, Inc. for Skycap Services

No. 94-0073 Resolution authorizing the Director to exercise the Airports Commission's options in extending its agreement with Pacific State Airline Services, Inc. for center island skycap services for two six-month terms commencing June 1, 1994 at a cost not to exceed \$95,000 for each six month period.

31. British Airways PLC - VIP Lounge - Reimbursement of Unamortized Improvements

No. 94-0074 Resolution approving reimbursement of unamortized improvements of British Airways PLC's VIP Lounge upon relocation to the new International Terminal.

32. Pasqua Coffee Bar - Design Approval

No. 94-0075

Resolution approving the design for Host's Pasqua Coffee Bar.

33. Contract with the Corporation of Fine Arts Museums, San Francisco for \$120,000.00

No. 94-0076

Resolution approving contract with the Corporation of Fine Arts Museums, San Francisco (COFAM) to provide and implement temporary exhibitions at SFIA for FY 1994/1995 for \$120,000.

34. Proposed Additional Exhibition in Conjunction with the Asian Art Museum, San Francisco

No. 94-0077

Resolution approving additional exhibition of warrior figures from X'iang, China to existing exhibition schedule.

35. Additional Funding - Contract 3349 - Emergency Cable Replacement - Cable 4AJ-1

No. 94-0077

Resolution ratifying the action of the President of the Commission to increase the funding for the subject emergency from \$105,000.00 to \$250,000.00.

36. Retirement Resolution: Norman Virgilio

No. 94-0078

37. Resolution Ratifying Personnel Actions

No. 94-0079

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

38. Travel/Training for FY 1993/94

No. 94-0080

* * *

I. NEW BUSINESS:

Proposed Capp Street Project Airport Exhibit.

* * *

J. CORRESPONDENCE:

* * *

K. CLOSED SESSION:

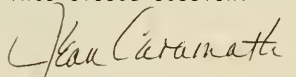
The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(a) to discuss the following existing litigation entitled: Millbrae, Brisbane et al v Airports Commission; Spaulding and Spaulding v CCSF; and, Marx v CCSF.

On motion by Commissioner Brooks and a second by Commission Jeanpierre, the Commission unanimously voted to disclose the settlements of the following existing litigation: Spaulding and Spaulding v CCSF and Marx v CCSF. The vote to approve both settlements was unanimous.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:15 AM to go into closed session.



Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

MAY 17, 1994

FRANK M. JORDAN, MAYOR

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PATRICK A. MURPHY
President

J. STANLEY MATTISON
Vice President

L. ANDREW JEANPIERRE

MARIE K. BROOKS

MICHAEL S. STRUNSKY

LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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of the Minutes
Airports Commission

May 17, 1994

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Minutes
of the
Airports Commission Meeting

May 17, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Patrick A. Murphy, President
	J. Stanley Mattison, Vice President
	L. Andrew Jeanpierre
	Marie K. Brooks
	Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 19, 1994 were adopted by order of the Commission President.

No. 94-0085

Commissioner Strunsky expressed concern over the court reporter's transcript and his confusion in reading it. He noted that over 110 corrections had been made to the transcript.

Mr. Turpen said that we have never had any difficulties with this court reporter.

Jean Caramatti, Commission Secretary added that the majority of the corrections focused on one particular speaker who was very difficult to understand. The corrected transcript will be forwarded to the Commission as soon as it is available.

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 94-0083 approving a settlement of

litigation entitled Spaulding & Spaulding v CCSF; and, no. 94-0084 approving a settlement of litigation entitled Marx v CCSF at the closed session of April 19, 1994.

* * *

E. SPECIAL ITEM:

1. Presentation by San Mateo County Joint Powers Board "Potential for CalTrain Service to SFO"

Presentation by Larry Stueck, Manager of Planning, Joint Powers Board and Jim Gallager, Deputy Executive Director on CalTrain Service to SFO.

Supervisor Tom Hsieh, speaking on behalf of the Joint Powers Board (JPB), addressed the Commission on the benefits of a CalTrain station at the Airport. He said that such a service could serve passengers and employees faster and cheaper than any other alternative. No new tracks would need to be laid and a station could be open in two to three years at a cost of less than \$10-million.

Supervisor Hsieh said that upon completion of the Airport's Master Plan, the number of employees working at the Airport will increase from 32,000 to 42,000 and the number of airline passengers will go from 32-million to 52-million annually. Given that 60% of Airport employees and 35% of the airline passengers come from South of the Airport, CalTrain can clearly help to meet the increased demand for Airport access. Every employee or passenger arriving at the Airport on CalTrain is one less automobile creating congestion at the Airport and the surrounding communities.

Supervisor Hsieh said that CalTrain can help the Airport in promoting regional and local objectives involving air quality goals and standards. Another benefit of a CalTrain/Airport station is its capacity to serve the area in an emergency.

Supervisor Hsieh noted that the value of a mass transit system was clearly made evident earlier this year when the Northridge earthquake devastated the freeway system in Southern California.

Supervisor Hsieh said that an Airport CalTrain Station must be looked upon as a stand-alone proposition and should move forward regardless of the outcome of the proposed BART station at the Airport.

Supervisor Hsieh introduced CalTrain's Deputy General Manager, Jim Gallager, to brief the Commission. He also introduced Larry Stuecki, Manager of Planning and Development for CalTrain.

Mr. Gallager addressed the Commission from prepared remarks. (See attached.)

Mr. Alan Wayne of United Airlines spoke on behalf of the Air Transport Association and the San Francisco Airport Airline Affairs Committee representing all 50 carriers serving SFO. He said that the airlines strongly support CalTrain's service to the Airport by linking its system to the planned Airport Light Rail Shuttle at the multi-transit station contained in the Master Plan. The carriers believe that such a plan will best serve not only airline passengers but the thousands of airline and Airport workers. It represents an environmentally sound approach to enhancing mass transit to the Airport and should go forward. He said that it is also consistent with the airlines support of mass transit both in San Francisco and elsewhere around the country.

Mr. Wayne said that the airlines remain committed to insuring that the greatest number of passengers and airport workers have the greatest access to the Airport in the most cost-effective and convenient manner.

Mr. Jim West, President of Peninsula Rail 2000, a Bay Area transit consumer group, spokesperson for the Regional Alliance for Transit, a coalition of 13 environmental and transit organizations, and, Chair of the CalTrain Citizens Advisory Committee said that they support this intermodal station for CalTrain with the Light Rail connection. It will provide convenience for passengers in getting to all the terminals as well as getting Airport employees to their work sites. Without the intermodal station, additional transfers might result and that will kill transit ridership. Without good transfers, connections and the fewest transfers possible, the situation is not workable. He urged the Commission to move ahead with the intermodal station.

Mr. James Haas said that for the last five or six years he has played a singular role in transportation in San Francisco. He has spent the last four years getting a decision to move the CalTrain Station to Market Street, which is now in its planning stage.

Mr. Haas said that he is in favor of a West of Airport CalTrain Station. He said that everyone is in favor of encouraging more people to take mass transit to the Airport. There are two basic resources to accomplish that goal ... BART and CalTrain. CalTrain would be the major resource on the Peninsula for the next 100 years. He felt that it is naive to believe that money will be available to extend BART south of the Airport any time in the near future. Significant investment has been made in CalTrain to upgrade that service. Additional investment will be made in the near future.

Mr. Haas said that the March 31 Joint Powers Board hearing afforded the opportunity for a number of people to speak in favor of this station. He said that Mayor Mahoney of Burlingame, who is very opposed to the BART proposal in the Airport, and Mayor Fogarty of Millbrae who is very in favor of it, both testified in favor of a West of Airport CalTrain Station, independent of the BART issue.

Mr. Haas said that he was asked by Stanford University to submit their views as a potential generator of Airport passengers further down the Peninsula (see attached).

Mr. Haas said that CalTrain is an important resource for San Francisco. Trains can now reach the Airport in about 15 minutes on an express basis. A trip from Embarcadero Station into the Airport would probably take about 22-23 minutes. He believed that a lot of downtown people would be disposed to use that kind of service to the Airport.

Mr. Haas urged the Commission to accept the invitation that the JPB has formerly prepared to work with the Airport in preparing a plan and additional studies for this station.

Ms. Shelley Elvira Salieri, member of the Citizen's Advisory Committee of the San Francisco County Transportation Authority, Chair of the Congestion Management Sub-Committee and the City-wide Rail Plan Sub-Committee said that CalTrain provides the most sensible means of getting passengers and workers to the Airport from the North and the South. It has much more capacity than is being utilized at present. With the way that San Francisco is beginning to connect CalTrain to Muni it will provide an intermodal connection at 4th and Townsend.

Ms. Salieri said that an intermodal station at the Airport is important. It's not good that passengers, particularly coming from the South, transfer to BART and transfer again to an internal system at the Airport. It needs a much more direct connection. A speedy, convenient, direct connection must be provided from both directions. It will provide more utility, it will take single occupancy vehicles off the highway and it will lessen the need for both short-term and long-term parking at the Airport.

Ms. Salieri said that she has driven single occupancy vehicles to airports in the past. She would much prefer to use mass transit to get to the Airport and eliminate the hassle of parking. A convenient connection will bring more people to the Airport on mass transit. It will also provide us with better air quality.

Supervisor Hsieh said that on March 29, JBP held a public hearing at the Airport Hilton on the proposed Airport CalTrain Station. Over 200 people attended that public hearing and over 25 people, including local officials, environmentalists, transportation advocates and residents spoke in favor of this plan. There is a good deal of public interest and enthusiasm for this proposal.

Supervisor Hsieh said that on completion of that hearing, JPB forwarded an official resolution to the Airport supporting this project and asking for the Airports Commission's earliest consideration in developing and implementing this project. He hoped the Commission would provide a favorable response to this recommendation.

Commissioner Brooks asked what the additional cost of the two stations would be.

Supervisor Hsieh responded that the baseline proposal, adopted and projected in 1992, was \$10-million. This amount does not take parking into consideration. He said that the most important impact is inconvenience. He said that to expect passengers or employees to

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transfer more than two times is poor planning.

Commissioner Strunsky said that this was intimately related to Propositions H & I on the ballot. He said that the Supervisor's idea of CalTrain and a station West of the freeway relies on the Airport developing its Light Rail System.

Supervisor Hsieh said that it is predicated on the Master Plan.

Commissioner Strunsky assumed that Supervisor Hsieh was confident that that system, as it serves the terminal, can be built with a minimum of discomfort and in a manner that will serve the public so that people won't have to walk great distances. That it can also be built at a reasonable cost. He assumed that Supervisor Hsieh knew how that was going to be done.

Supervisor Hsieh responded that he could only speak from the knowledge that the Airport has included the cost to build the Light Rail System at the Airport's expense.

Commissioner Strunsky assumed that Supervisor Hsieh was confident that it will exist.

Supervisor Hsieh said that he did not assume. He thought it was a great plan that was adopted not only by the Airports Commission but by the City and County of San Francisco and has been funded through the \$2.4-billion in bonds as recognized by underwriters. It is more than just assumed.

Commissioner Strunsky said that he was glad Supervisor Hsieh had a way of getting around the terminal. He hoped that the expectations would be met. He asked if this served anyone coming to SFO from the East Bay.

Supervisor Hsieh responded that he was only addressing CalTrain.

Commissioner Strunsky asked if the East Bay was going to be ignored.

Supervisor Hsieh responded that the East Bay represents about 14 percent of the ridership.

Commissioner Strunsky asked how many riders come on CalTrain and on to the bus and come to SFO.

Supervisor Hsieh responded that he felt the question was unfair because at this point SamTrans provides service at one-hour intervals. That same bus goes to the Daly City BART Station. The total number of passengers is 400 per day. If that represents all the BART ridership to SFO it would be very difficult to justify spending \$1.3-billion to fund BART. He said that CalTrain has 200 riders for the bus and BART has 400 riders for the same bus. It is a poor example when looking at the true ridership.

Commissioner Strunsky said that CalTrain has grade crossings all the way down the Peninsula. Its schedule is impacted by traffic going across roadways. He asked if the grade crossings will be eliminated.

Supervisor Hsieh responded that funds are available to accomplish that work. He said that just like BART, or any type of moving vehicle, accidents will happen.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky said that about a month and a half ago he expressed an interest in attending the design meetings between the architects and Airport staff regarding the expansion program. He said that the Mayor nominated him to this Commission because of his expertise in airports and construction and because of his experience in flying.

Commissioner Strunsky said that he received a response from the Director indicating that attending meetings between Airport staff and the architectural design teams would be a violation of the Sunshine Ordinance. He said that that was not his understanding of the Sunshine Ordinance. He said that he has written to the Airports General Counsel about this issue but has not yet received a reply.

Commissioner Strunsky said that he would like to know the next design meeting between the architectural firms and Airport staff. He said that he intends to attend those meetings if he is in town because he believes that's what the Mayor appointed him to do. He said that if an attorney wants to serve him with papers or anything like that, to feel free.

Commissioner Strunsky said that he would like to be provided with a schedule of the conceptual design meetings. He is not interested in the concrete and rebar and the details, but the design meetings between staff and their major architectural consultants. He said that he is making this a formal request.

Commissioner Murphy asked Commissioner Strunsky if he was referring to meetings with the outside architects that have been engaged.

Commissioner Strunsky responded that that is correct. He wants to attend those meetings between staff and the outside architects where the design and functionality of our \$2.4-billion Master Plan is involved. He said that he is most interested in the projects that will have the greatest impact on the public. The new International Terminal, some of the boarding gates, the Ground Transportation Center. He said that because he is not as knowledgeable about fueling systems or things of that nature, he would not be interested in attending those meetings.

Commissioner Mattison asked Commissioner Strunsky if he had a particular concern that staff is not capable of executing these particular charges. He said that he is very concerned about the notion that individual Commissioners involve themselves at the staff responsibility level, particularly as it relates to issues in which we are trying to maintain the highest professional level in executing the Master Plan.

Ms. Mara Rosales, Airports General Counsel reminded the Commission that Commissioner Strunsky's request should be treated as a request of the
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Director. She said that if the Director would like to respond now, he may do so, but because it is not calendared for discussion she would prefer that this issue not be discussed as an item. She said that if the Commission feels it needs to take action on this issue she would prefer to calendar it for a subsequent meeting.

Commissioner Strunsky said that he would like the staff, the Director to submit to him a list of the meetings between senior Airport staff and the outside design firms. He said that if he's being kept from those meetings he wants to know right now. If he's going to be kept from the meetings, a policeman will have to do it.

Commissioner Strunsky said that this is not a rubber stamp Commission. This Commission has the responsibility of the development of this Airport. He said that we meet here and look at a bunch of pieces of paper once every two weeks. He did not believe that is doing the job the Commission is supposed to be doing. He believed that the Commission should be participating in the development of this Airport. He said that he is offering his time as best he can spend it at no cost. He felt that the Commission should direct him to take this action.

Commissioner Strunsky said that this is not about a lack of confidence in the staff. He thinks the staff is terrific. He also felt that the Airport is ultimately the responsibility of this Commission. That's why the Commission's here.

Commissioner Jeanpierre thought the item should be calendared for discussion at the next meeting.

Commissioner Brooks said that the Director and staff have always been responsive to her questions. She asked Commissioner Strunsky if he has ever made contact with those persons in charge to answer his questions.

Commissioner Strunsky responded that the issue is that a set of drawings will be developed over the coming months and years which will outline what the Commission will eventually be asked to approve and will determine how this Airport is going to work. At some point in time we will be presented with a bid request for these facilities without having a regular knowledge of what is on those plans and how they serve the public. This Commission will be in the dark with respect to what it will be asked to approve. For example, he did not believe that any member of the Commission knew the location of the entrances and exits of the parking structure that's about to be bid.

Commissioner Strunsky said that he was certain that staff has done their best. He thinks it's going to be a great parking structure, but the Commission has an opportunity to tap the expertise of one of its members to the very great advantage of the City of San Francisco.

Commissioner Strunsky said that he was astounded that this Commission has objections. He said that he was willing to bet that other Commissioners on other Commissions meet with staff on a regular basis to try and help the City achieve the best for its buck.

Commissioner Murphy said that any Commissioner on this Commission is free to meet with the staff in such time and such manner as they see fit. The Minutes, May 17, 1994, Page 10

problem is being with outside parties who are doing business with the Airport. He said that that is where he draws the line, but that is a point for a future meeting.

Commissioner Murphy asked Mr. Turpen to calendar this for the next meeting.

Commissioner Murphy again made it clear that individual Commissioners are free to meet with staff. He said that in his six years with this Commission he has yet to be denied information.

Commissioner Murphy asked how the minority contracting plan was proceeding. He said he would ask this every meeting until it is resolved.

Mr. Jackson Wong, Deputy Director for Facilities Operations and Maintenance responded that he received a draft from Dennis Bouey and distributed it to staff for comments. Those comments were then forwarded to Dennis, who is coordinating with the parties involved.

Commissioner Murphy said that he wants action. Dennis has new responsibilities.

Mr. Wong said that there will be a meeting today at 2:30 PM.

Commissioner Murphy said that he has discussed this with Commissioners Jeanpierre and Strunsky. This is a front burner issue.

Mr. Wong said that a schedule of the sequence of events will be developed today.

Commissioner Murphy said that he wants to see this happen. The community is going to want to know what their involvement will be in this construction project and he wants to have an answer for them and he wants something that is going to work.

Mr. Wong asked if the Commission had a time frame in mind.

Commissioner Murphy responded that he wanted it yesterday. This has been in process too long. He appreciated that Mr. Wong was new to this issue and that Dennis has a lot of responsibilities, but this is a very front burner issue with the Commission.

Mr. Wong added that Dennis is still involved because he had the contact with the parties involved and he is trying to get them to agree on how to do it. Dennis will then hand it over for execution.

Ms. Rosales said that the Commission should have this for action on concept sooner than the final documentation is prepared.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item no. 2 was put over to the meeting of June 7, 1994.

2. Award of Contract No. 1723R
Firehouse No. 2 - Replacement

Resolution to award Contract 1723R,
Firehouse No. 2 - Replacement, to
Barnes/Lem Joint Venture in the amount
of \$3,482,000.00.

Mr. James Reuben, representing Nibbi/Tom, the second low bidder, said that the information he submitted this morning was intended as a short summary of the grounds for the protest and the applicable documents.

Mr. Reuben said that the protest is in two parts. The first is that E.T. Electric was listed as the electrical subcontractor for Barnes/Lem. Barnes/Lem was required to list the license number of each of its subcontractors. Although Barnes/Lem did that, E.T. Electric's license had been revoked.

Mr. Reuben said that he represents contractors and is familiar with E.T. Electric. One of his clients has a \$700,000.00 judgement against E.T. Electric. He knew E.T. Electric would have some difficulty in getting a license and he protested on that basis.

Mr. Reuben said that in the course of the protest, Barnes/Lem submitted three different licenses purportedly assigned to E.T. Electric. Each one of those licenses is invalid. One had been suspended, one had been revoked, and one had expired.

Mr. Reuben said that if the Commission proceeds it will award a contract to a contractor who has failed to cover a major scope of work and has listed an unlicensed subcontractor to do that work. That violates the Business and Professions code which provides that work be performed by licensed contractors.

Mr. Reuben said that the second and most important issue is that bidders may not modify their bid form or qualify their bid. He noted that Tab 6 of the information submitted to the Commission, includes a listing for Kent Lim, one of the MBE subs used by Barnes/Lem to meet the minority contracting goal, for \$328,000.00. The amount listed on the HRC forms that are submitted a couple of days later shows the amount to be \$215,000.00. The bid has been altered in violation of the requirements of the City and County of San Francisco.

Mr. Reuben said that the letter he received from Mr. Wong indicated that there was no reason why that error should cause the Commission not to award the contract. Mr. Reuben disagreed. Bidders are prohibited from altering bid forms and HRC documents are considered a part of the bid form. To change an MBE sub from \$328,000.00 to \$215,000.00 is a material alteration.

Mr. Reuben said that he in speaking with Ed Lee yesterday he was told that since both sets of numbers met the minority goals, HRC ended its
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review. He added that Mr. Lee was very concerned about the precedent this would set. Mr. Reuben believed this to be an illegal precedent. He said that Barnes/Lem has been allowed to take their initial bid amounts and alter them in the HRC submittals. That bodes badly for the Commission's pending HRC program for a \$2.4-billion construction project. He believes this is illegal and violates the terms of the subcontractor listing laws. It also violates the requirements of the San Francisco bidding laws which require that the bidder not only list the subcontractor but the amount of the subcontract.

Ms. Pansy Waller said that she was the HRC contract compliance officer for this contract. Based on her review of the submittals, she made the determination that Barnes/Lem was eligible to receive this contract. They had exceeded the MBE/WBE goal. She said that the goals had been met even though the dollar amounts had been changed.

Ms. Waller said that according to her understanding of the subcontractor listing law, a contractor is obligated to the bid document, which is the subcontractors listing form. That is what would hold in the event that this contract is awarded to Barnes/Lem. It would then become HRC's monitoring responsibility to ensure that what was listed in the subcontractor's form would be what would carry.

Ms. Waller said that this was a pilot project wherein the contractors were permitted to submit their forms a day after the bid opening. This was done to avoid the confusion that happens at the last minute when they are trying to submit their bid proposals. In this instance there was some confusion when the figures were changed by the apparent low bidder. The other bidders did not seem to have that problem.

Ms. Waller said that she discussed this with Ed Lee and he does not want this to become a precedent setting situation. She said that although Mr. Lee does not look favorably on this situation, since the goals had been met in the HRC forms and had been listed in the subcontractor's list form, he wanted to move ahead.

Commissioner Brooks asked what would happen if the electrical subcontractor is not licensed and another minority firm cannot be secured.

Ms. Waller responded that the contractor mentioned was not a minority contractor and therefore is not within the HRC's jurisdiction to make that determination. That is an Airport consideration.

Ms. Rosales said that she has not had the opportunity to review the entire submittal presented today but assumed that this was presented previously to staff. She did not believe there was any impediment to moving ahead today. Each issue has been resolved.

Commissioner Mattison said that if this is a time-critical contract he would be willing to act today. He would, however, like to understand the nature of the evaluation. What are the implications if significant subcontractors prove to be unlicensed? He also asked what the implications are in having an extra day to re-spread the numbers on the HRC forms. Should that give the Commission cause for concern over the general bid procedures? What are the jurisdictional aspects for the Commission in looking at this?

Ms. Rosales responded that she would be happy to look into those matters and provide a written response to the Commission.

Mr. Reuben added that there is an unfair advantage issue as well. He said that he called a number of contractors and polled them on this issue. He asked if they had ever altered numbers between the day of the bid form and HRC documents. The answer was a unanimous no. He said that none of the other contractors made those changes. This contractor has gotten some kind of advantage.

Commissioner Jeanpierre asked Mr. Reuben if the City Attorney explained to him why they believed that the issues he raised had no bearing on the outcome.

Mr. Reuben responded that the City Attorney's Office discussed it but did not come to a conclusion with which he could agree. He was told that it did not matter. He said that Tab 5 offers the City Attorney's reasoning. He did not find the reasoning compelling.

Commissioner Brooks asked if a two-week delay was a problem.

Mr. Wong responded that both the low bidder and the second low bidder agreed to extend their bids to the end of May. He asked Mr. Reuben if his client would be willing to extend their bid beyond that date.

Mr. Reuben responded that they would.

Mr. Wong said that he would have to check with the low bidder.

Commissioner Murphy asked if this item could be put over to June 7.

Mr. Turpen responded that he did not believe it would make a difference operationally.

Mr. Reuben said that Barnes/Lem did not have a representative present. In fairness, they may want an opportunity to speak to the issue.

Mr. Turpen directed Mr. Wong to coordinate with the contractors and ask if they would be willing to hold their bids for a few more days.

Commissioner Mattison asked for a summary of staffs view of the implications of this delay and the presentation of the spread information to HRC.

Commissioner Murphy was more interested in why an unlicensed sub was listed. He felt that that was a way to get around the requirement to list subs ... just list an unlicensed sub and then find a new one.

Ms. Rosales responded that there is a question as to when the sub became unlicensed.

Item nos. 3 and 4 were unanimously approved.

3. Supplemental Reappropriation of \$2,444,040.67 to Contingency Account
Minutes, May 17, 1994, Page 14

Resolution authorizing supplemental
reappropriation of \$2,444,040.67 from
debt service reserve fund to the
contingency account.

Commissioner Strunsky noted that the contingency account currently has a balance of \$32.5-million. The balance for the Master Plan bonds should be \$61-million by 2002. The airlines currently contribute \$4-million annually to this account. At this rate there will be \$64-million in the account by 2002. If we only need \$61-million, why should we be putting money in this account?

Mr. John Martin, Deputy Director of Business and Finance responded that we developed a plan, working with the airlines, to fund this account. Under that plan, the airlines agreed to pay \$4-million annually for a period of five years. We agreed to make contributions from an initial \$12-million contribution from an Airport capital account and we have contributed additional funds from freed up debt service reserve funds as we've refunded bonds over the past three years. This contribution will take us to \$35-million, together with two more years of payments from the airlines, that will take us to \$43-million. The interest income earned on that fund between now and 2002 will take us to a total of \$61-million.

4. Shuttle Bus Service Agreement #68252, Adjustment #13

No. 94-0087

Resolution setting the 1994 Basic and
Incremental Hourly Rates pursuant to
Section 5(c) of the agreement.

Commissioner Strunsky asked when this contract was last bid and how many extensions it has had. He asked if the contract should be rebid.

Mr. Sheldon Fein, Assistant Deputy Director, Landside Operations, responded that the contract was originally bid in 1982 as a 10 year contract with a requirement that the owner purchase buses, pay for the interest and amortization, and that the buses would become the property of the Airport at the end of 10 years. In the bid process there were several items, such as fuel costs, that could not be projected on an annual basis.

Mr. Fein said that the buses were kept in excellent condition and in 1992 the Airport took them over. The annual adjustment to the rates was made, deleting the cost of the purchase of the buses, the interest cost, the amortization, etc. and was extended on a year to year basis from that point. There was a substantial drop in the hourly fee that the Airport pays to the buses. The union contracts were compared with those of other drivers of similar size vehicles on the Airport (Hertz, National and Avis) and bus operators in the City. Those rates have been monitored over time.

Mr. Fein said that the \$31.00 an hour basic rate and the \$25.00 an hour incremental rate are much lower than we would get if the company had to purchase new buses.

Commissioner Strunsky asked if we could bid a management/maintenance contract using our buses. He assumed that in 1982 we did not have the minority requirements that we have now. He wondered whether an MBE bid might be something this Commission would like to recommend, not necessarily now but at the end of this extension.

Mr. Fein said that we will be going out to bid in 1995. This contract was originally bid as a 1-year contract with 9-one year options. If the buses were kept in good condition the contract could be extended on a year-to-year basis for five additional years. The five-year options will end in 1997.

Commissioner Strunsky wondered if this wouldn't be an opportunity to rebid this at the end of 1995.

Commissioner Murphy agreed that this could be looked at in 1995.

* * *

Commissioner Strunsky asked how items come to be placed on the Consent Calendar.

Mr. Turpen responded that staff gets together and looks at all of the items that are scheduled to come before the Commission and makes a determination as to which items they feel are routine in nature and those that might be controversial or significant in nature. The Consent Calendar is simply a way of indicating to the Commission that no controversies are involved and that the items are fairly straightforward and routine. Staff is always available to answer questions on any item on the Consent Calendar.

Mr. Turpen said that if the Commission wishes to establish a cut-off and rules governing the Consent Calendar it can do so.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

5. Professional Services Contract - Joseph Chow & Associates, Inc.

No. 94-0088

Resolution approving budget and awarding Professional Services Contract for renovations to the Pan Am/Delta buildings: Joseph Chow & Assoc., Inc.

6. Award of Contract No. 3224 - International Terminal, F.I.S. Public Area Heating and Ventilation Improvement

No. 94-0089

Resolution awarding Contract 3224, International Terminal F.I.S. Public Area Heating and Ventilation

Improvement to NLC Construction in the amount of \$62,602.00.

Commissioner Strunsky noted that the low bid is 76% lower than the next bid and 74% of the average bid. He was concerned about the prevailing wage requirements.

Commissioner Brooks asked if we will get a completion bond. She also asked if they would be using the same quality materials in the work.

Mr. Wong responded that very often we do not know until the contractor begins his work. In terms of the quality of work, we are at a disadvantage because we can't qualify a worker ... is he a union journeyman or was he trained in the military.

Mr. Wong added that we do have a completion bond for this project.

7. Award of Contract No. 3359 - International Terminal Sixth Floor Conference Room and Offices

No. 94-0090

Resolution approving the award of Contract 3359 to the lowest qualified bidder, Majestic Construction, in the amount of \$115,500.00.

8. Award of Contract No. 3299 - Crosswalk Lighting - Terminals

No. 94-0091

Resolution awarding Contract 3299, Crosswalk Lighting, Terminals to Barri Electric Company in the amount of \$23,824.00.

Commissioner Strunsky noted that there was a phrase added in the resolution that says that this award is being made with Type I modifications and a "non-contested subcontractor substitution." He said that this wording appears in this award only.

Mr. Wong responded that a contractor can substitute a subcontractor for legitimate reasons. This substitution must be approved by Airport staff and HRC.

Commissioner Strunsky noted that the low bid is 68% of the second bid.

Mr. Wong said that the bid price did not change with the substitution.

Commissioner Strunsky asked what happens if the substitution is denied.

Mr. Ernie Eavis, Principal Engineer responded that this contract is small and no subcontractors are involved. This is new wording and will appear in all future awards. If there is a legitimate reason for substituting a subcontractor and the subcontractor agrees to it, it won't have to come before the Commission.

Commissioner Strunsky did not believe that that is what the language says. He assumed that the subcontractor was using a material or process that was different than what was specified.

Mr. Eavis responded that this wording is the form that staff has used. This contractor has asked for no substitutions.

9. FAA Leases for Installation, Operation and Maintenance of Precision Approach Path Indicators to Serve Runways 10L, 19L and 28L.

No. 94-0092 Resolution approving FAA Leases to install, operate and maintain three Precision Approach Path Indicators (PAPI) to serve runways 10L, 19L and 28L.

10. Additions and Modifications to the 5-Year Capital Projects Plan

No. 94-0093 Resolution approving additions and modifications to the 5-Year Capital Projects Plan.

11. Award of Annual Report Contract

No. 94-0094 Resolution awarding contract to Howry Design to produce the Airport's 1994 Annual Report.

12. Resolution Approving Third Amendment to Aircraft Noise Mitigation Agreement with South San Francisco

No. 94-0095

13. Advance Approval of Noise Easements

No. 94-0096 Advance approval of noise easements for Daly City addresses under Master Plan Memorandum-of-Understanding.

14. Modification of Bond Feasibility Consultant Contract

No. 94-0097 Modification to John F. Brown Co. contract for FY 1994/95.

15. American Airlines, Inc. - Modification #5 of Lease and Use Agreement No. 82-0111

No. 94-0098

Resolution approving Mod. #5 of American Airlines, Inc. Lease and Use Agreement No. 82-0111 that relinquishes 70 square feet of Category I interline counter space on the lower level of the International Terminal.

Commissioner Strunsky said that he could not find the 70 sq. ft. in any of the drawings.

Mr. Martin responded that the 70 sq. ft. is the space that is being relinquished and is not included in the drawings.

16. Philippine Airlines, Inc. - Modification #2 of Lease and Use Agreement

No. 94-0099

Resolution modifying Philippine Airlines Lease and Use Agreement No. 82-0317 to amend Joint Use space, to correct measured inaccuracies in existing premises, and relinquish office space in the International Terminal.

17. Mexicana Airlines, Inc. - Modification #3 of Lease and Use Agreement

No. 94-0100

Resolution modifying Mexicana Airlines Lease and Use Agreement No. 83-0045 to amend Joint Use space, to correct measured inaccuracies in existing premises, and relinquish VIP Lounge in the International Terminal.

18. Approval of Final One-Year Option for Garage Catering Lease "A" and Lease "B"

No. 94-0101

No. 94-0102

19. Proposed Additional Exhibition in Conjunction with San Francisco City Celebration of Russian Days

No. 94-0103

Resolution approving additional exhibit to existing exhibition schedule of artifacts from the Khabarovsk Museum of Local Lore, History and Economy, Russian Federation.

20. Travel/Training for FY 1993/94

No. 94-0104

21. Resolution Ratifying Personnel Actions

No. 94-0105

Resolution in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

I. PUBLIC HEARING:

The public hearing was not held and there was no discussion on this item.

22. Hearing on Proposed Amendment to Airport Rules and Regulations Prohibiting Use of Independent Contractors for Scheduled Ground Transportation Service

* * *

J. SPECIAL ITEM:

This item was removed from the calendar per the request of Mr. Rick Pohl of Quake City Shuttle.

23. Quake City Shuttle

Discussion on Quake City Shuttle
Operating Permit

* * *

K. NEW BUSINESS:

There was no discussion by the Commission.

* * *

L. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

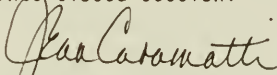
M. CLOSED SESSION:

The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(a) to discuss the following existing litigation entitled: Millbrae, Brisbane et al v Airports Commission; and, Sierra Point Associates Two, The Koll Company v CCSF; and, (3) CCSF v CCAG.

* * *

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:25 AM to go into closed session.


Jean Caramatti
Commission Secretary

CALTRAIN-SFO SLIDES 5/17

1. A CalTrain Station at San Francisco Airport has been appearing in SamTrans planning documents since 1982. The attraction is apparent...convenient public access to the Bay Area's largest airport and San Mateo County's largest employment site. The urgency has escalated recently with concern on the Peninsula about the impact of SFO's expansion plan. Projections from the Airport's Master Plan are included on the slide. This month, a CalTrain Market Demand Study by the JPB staff indicated that person trips each day within the Peninsula will increase by 1.8 million, or 23 per cent, between 1990 and 2010.

2. The synergy between CalTrain and the airport is undeniable. Today, for example, the train will run 60 times along the airport's front yard, north and southbound. More than half the airport's workforce arrives from the south. And because transit traditionally is used more extensively by workers than by air passengers, the potential for SFO ridership from north and south on CalTrain is seen by JPB planners as equivalent to that for the proposed BART extension. The need for access from both directions, and the requirement to serve both 101 and 280 corridors, is why the 1985 SamTrans Century Plan calls for development of both CalTrain and BART to ease the pressure on San Mateo County's two freeways.

3. Airport and MTC projections illustrate the potential market for transit service to the airport in conjunction with the expansion plan: a 37 per cent increase in airport employees; passenger volume up by 62 per cent.

4. Again from airport statistics, this graphic provides an assessment to scale of the origins of future SFO employees. The arrow from the south explains the interest in CalTrain as a resource uniquely positioned to serve this market.

5. This is a similar display focusing on origins of airport patrons in 2004, from MTC statistics.

6. What should a CalTrain airport station provide? This slide lists some of the obvious criteria from our planning staff. CalTrain patrons should be provided direct connections to the airport's light rail shuttle. They must perceive CalTrain as a convenient avenue to their airport destination...the project must meet capital and operating standards to establish it as a fundable undertaking within regional resources. It must attract public and political support...and it must be timed to meet the needs of the jurisdictions involved.

7. This graphic illustrates two of the transportation systems under discussion. The yellow line represents the CalTrain system running along the front yard, as it were, of the airport complex. The pink line is the SFO light rail shuttle. The Joint Powers Board in April took action to invite the Commission to explore methods through which the two lines might be connected.

8. We now examine a third element in the transit mix, the proposed BART extension from the present Daly City terminal. This is the red line, shown here in two versions from the ongoing BART Extension EIS/EIR, due for distribution shortly. The line running parallel to the yellow CalTrain right of way is the baseline alternative in the BART/SFO study. The curving line to the east represents a proposed alignment bringing BART to a point below the projected International Terminal. From there, it would proceed southward to a terminus at the present Millbrae CalTrain Station immediately south of Millbrae Avenue. The four red dots represent potential CalTrain station sites identified in the study. Working up from the south, the Millbrae Station would be connected to the Airport by the proposed BART extension. Airport passengers arriving from the south would transfer to BART, and--at the airport--unless they were headed for the International Terminal, would be required to transfer again to the light rail system to reach their airline gate or work site. The next location northward is at Center Street in Millbrae, a location that has been vigorously opposed by the city. Among their concerns is the potential elimination of some 40 to 70 homes. To the north is the station identified in the baseline alternative, in a wetlands area that presents some environmental concerns. The two middle stations, as you will note, could be served by the airport light rail system. The northernmost station site, somewhere in San Bruno, would be outside the reach of the airport shuttle and would eliminate a number of homes and businesses.

9. This has been a useful illustration for Peninsula audiences who have not understood the nature of the airport's proposed light rail shuttle and how it would serve the expanded complex. The projected speed and frequencies of the internal system and this diagram of the key stations have excited rail enthusiasts who see it as a quick and convenient distribution system in partnership with public transit.

And this, in large measure, is the basis for the JPB's invitation to the commission for cooperative action to explore the full potential of CalTrain service to the airport.

PROPOSED SFO CALTRAIN STATION



Peninsula Corridor Joint Powers Board

March 1994

PROPOSED SFO CALTRAIN STATION

Facts and Figures

- * Provides a linkage between a regional rail system and the largest of the three major airports in the San Francisco Bay Area.
- * SFO is the largest employment center in San Mateo County. At present, there are approximately 31,000 employees at SFO (1988 figures). After the planned airport expansion, employment would increase to 42,500 workers.
- * Annual air passengers are projected to increase from 31.7 million in 1988 to 51.3 million in 2006.
- * The SFO Master Plan projects a shortage of approximately 4,000 parking spaces in 2006.
- * Most SFO employees commute to work from areas south of the airport (60.5%). Approximately 20% originate in areas north SFO, 8% in the East Bay and 11% in outlying counties (see Figure 1 and Table 1 attached).
- * Approximately 44% of SFO passengers originate north of the airport and 34% in areas south of the airport. The East Bay generates nearly 13% of the air passengers and the outlying counties about 9% (see Figure 2 and Table 1 attached).
- * Based on modal choice surveys and on the nature of employee and passenger travel markets, potential transit usage to SFO is greater for airport employees than for air passengers.
- * To date, most emphasis has been placed on the BART to SFO extension; however, the above information clearly suggests that the potential CalTrain ridership to SFO is equivalent to that of a BART extension to the airport.

CALTRAIN SFO STATION

POSSIBLE EVALUATION CRITERIA

- * Direct connection to SFO Light Rail system**
- * Time and convenience**
- * Cost (Capital and incremental operating and maintenance costs)**
- * Political support**

CURRENT CONDITIONS

TABLE 1

CURRENT ORIGIN OF SFO PASSENGERS AND EMPLOYEES				
BAY REGION	PASSENGERS**		EMPLOYEES***	
TOTAL	31.7m	100%	31,000	100%
NORTH BAY (San Francisco & Marin Counties)	14.0m	44.2%	6,076	19.6%
EAST BAY (Contra Costa & Alameda* Counties)	4.0m	12.6%	2,635	8.5%
SOUTH BAY (San Mateo, Santa Clara & Alameda*)	10.8m	34.1%	18,755	60.5%
OUTLYING COUNTIES	2.9m	9.1%	3,534	11.4%

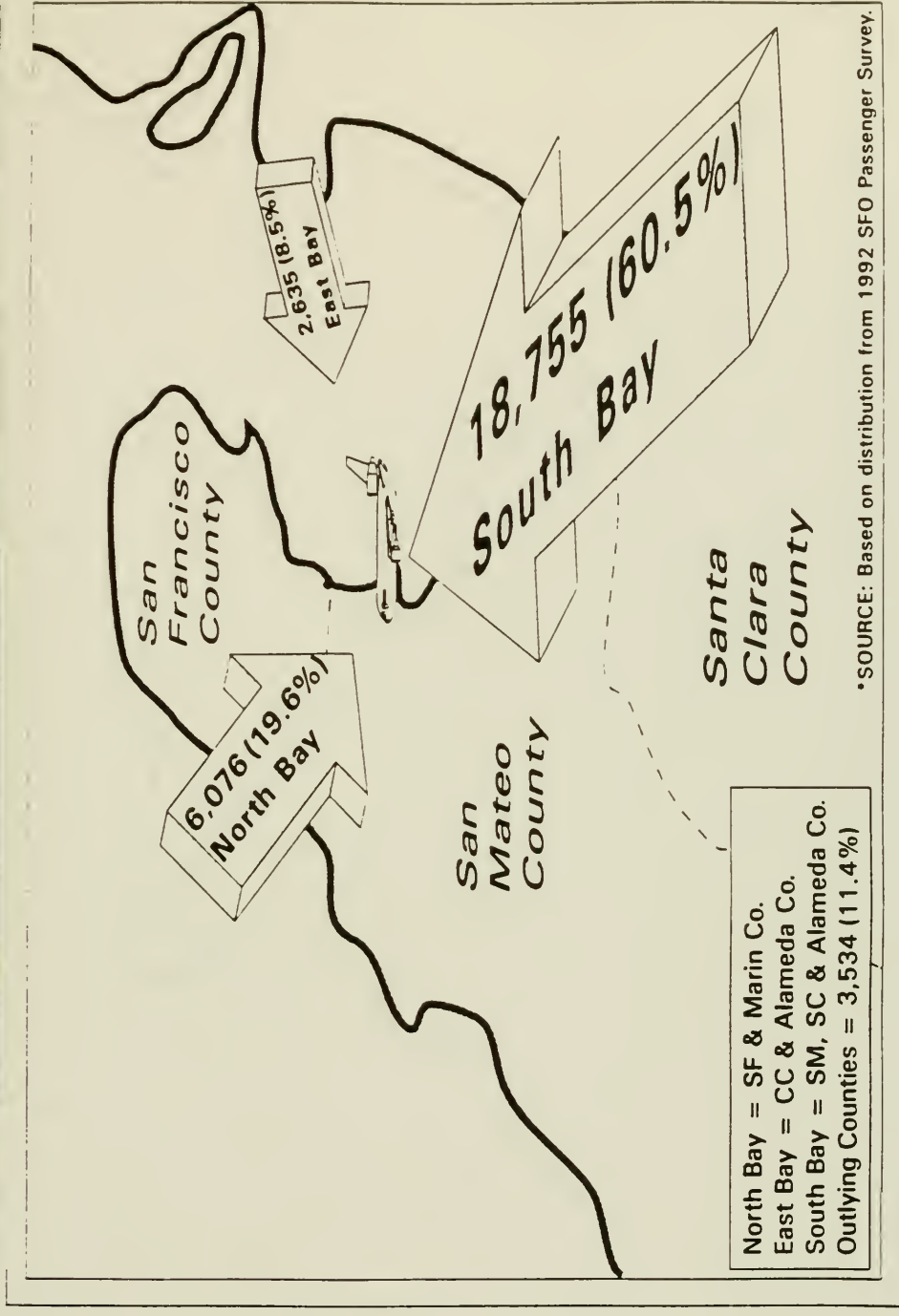
* Alameda (East Bay) - North of San Mateo Bridge; Alameda (South Bay) - South of San Mateo Bridge

** 1990 Metropolitan Transportation Commission Survey

*** 1992 SFO Passenger & Ground Transportation Survey

FIGURE 1

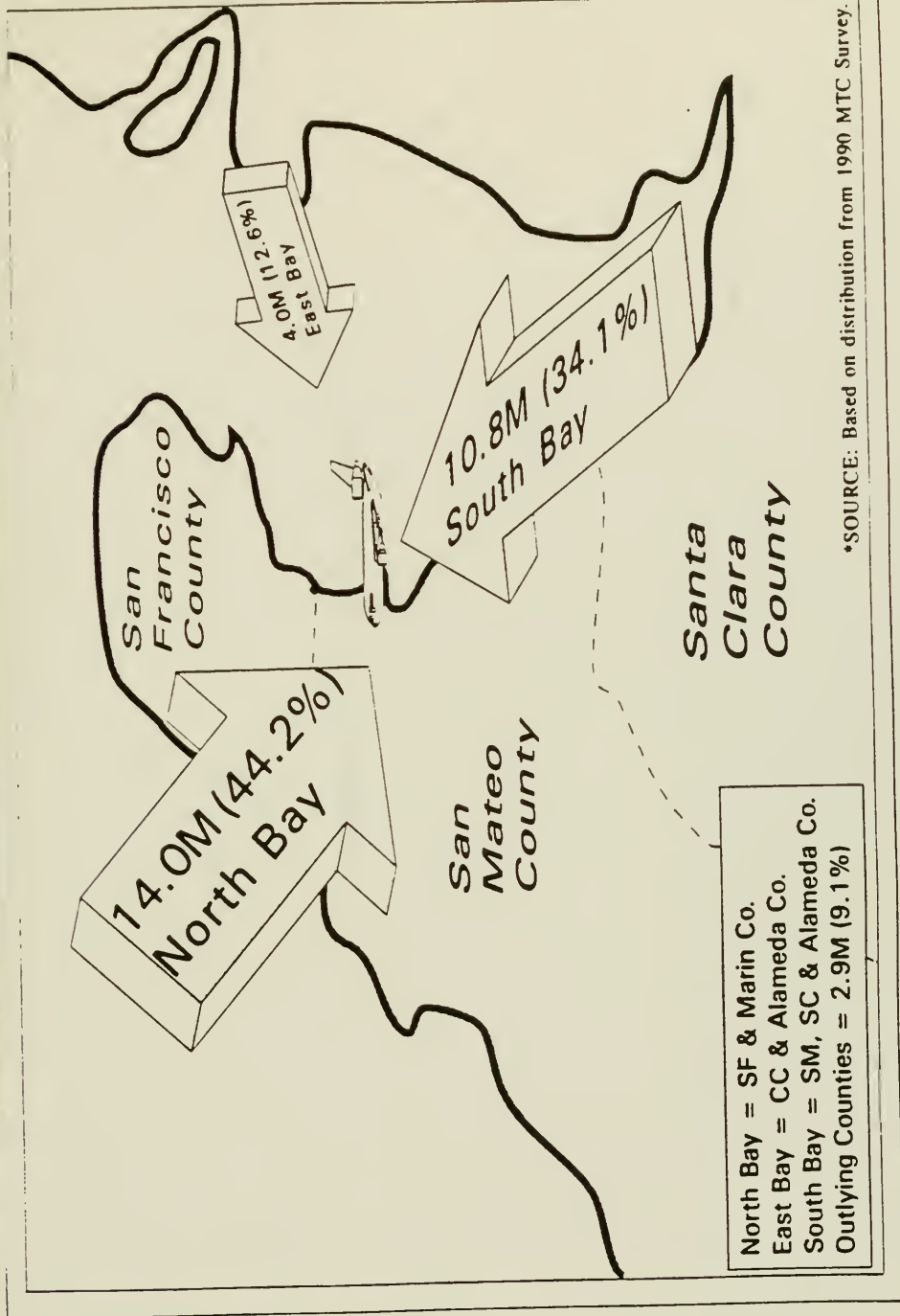
CURRENT ORIGIN OF SFO EMPLOYEES*



*SOURCE: Based on distribution from 1992 SFO Passenger Survey.

FIGURE 2

CURRENT ORIGIN OF SFO PASSENGERS*



PROJECTED FUTURE CONDITIONS

TABLE 2

FUTURE ORIGIN OF SFO PASSENGERS AND EMPLOYEES				
BAY REGION	PASSENGERS**		EMPLOYEES***	
TOTAL	51.3m	100%	42,500	100%
NORTH BAY (San Francisco & Marin Counties)	22.7m	44.2%	8,330	19.6%
EAST BAY (Contra Costa & Alameda* Counties)	6.4m	12.6%	3,612	8.5%
SOUTH BAY (San Mateo, Santa Clara & Alameda*)	17.5m	34.1%	25,712	60.5%
OUTLYING COUNTIES	4.7m	9.1%	4,846	11.4%

* Alameda (East Bay) - North of San Mateo Bridge; Alameda (South Bay) - South of San Mateo Bridge

** Future origin of SFO passengers based on distribution from 1990 Metropolitan Transportation Commission Survey

*** Future origin of SFO employees based on distribution from 1992 SFO Passenger & Ground Transportation Survey

FIGURE 3

FUTURE ORIGIN OF SFO EMPLOYEES*

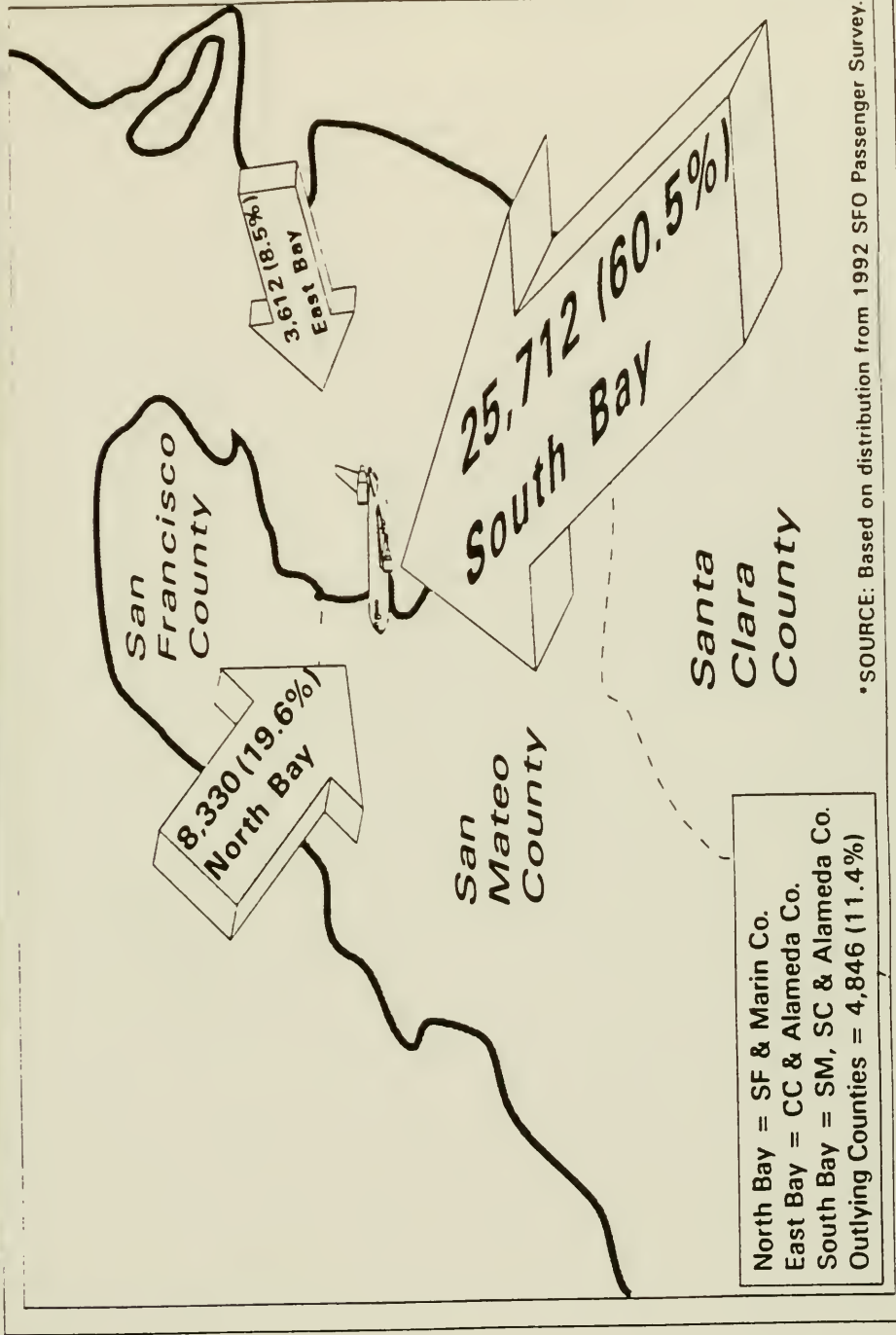


FIGURE 4

FUTURE ORIGIN OF SFO PASSENGERS*

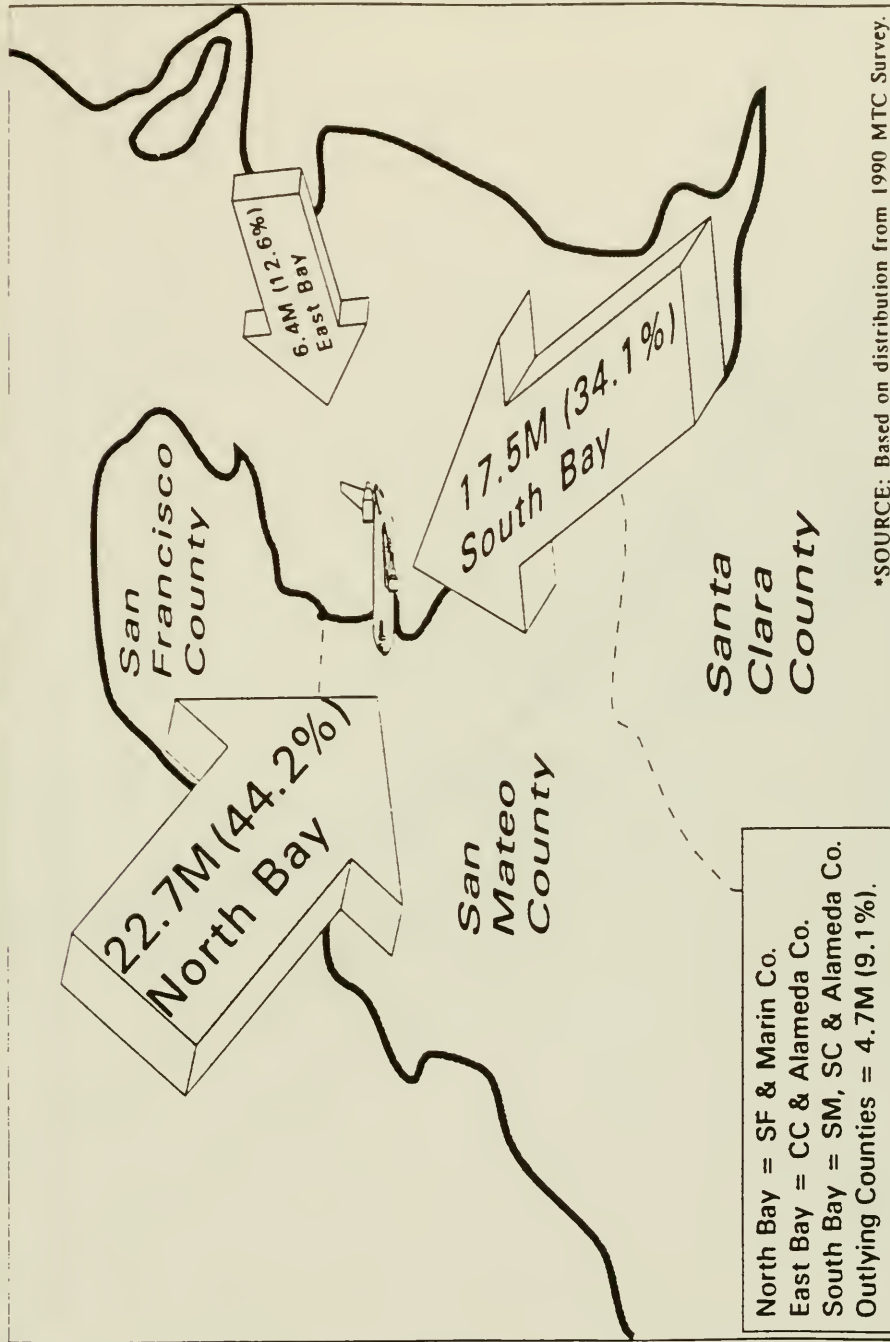
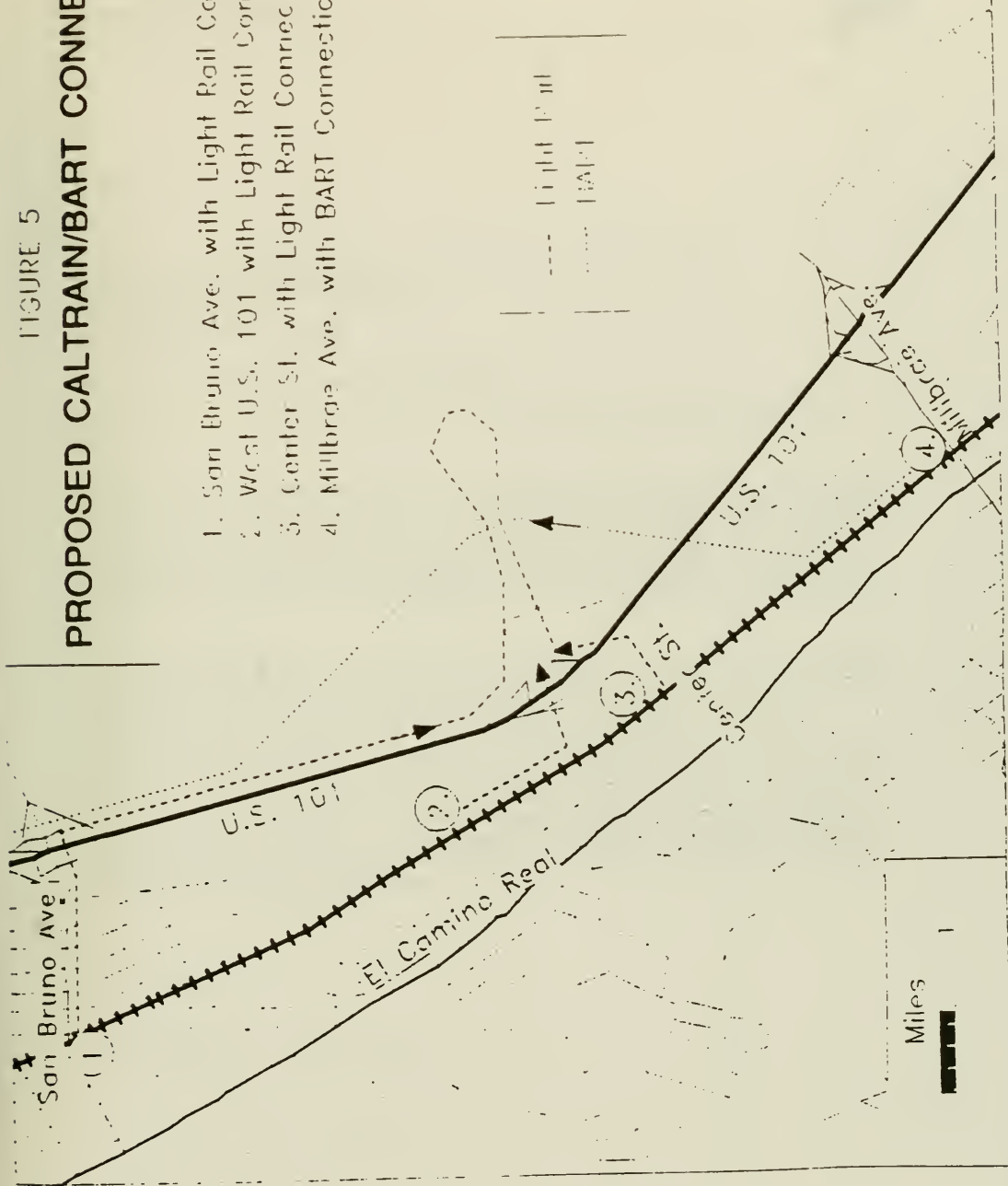
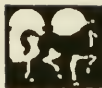


FIGURE 5

PROPOSED CALTRAIN/BART CONNECTION

1. San Bruno Ave. with Light Rail Connection
2. West U.S. 101 with Light Rail Connection
3. Center St. with Light Rail Connection
4. Millbrae Ave. with BART Connection





April 5, 1994

Supervisor Tom Hsieh, Chairman
Peninsula Corridor Joint Powers Board
P.O. Box 3006
San Carlos, California 94070

Dear Chairman Hsieh and members of the Board,

Stanford University supports the idea of a new CalTrain station near the San Francisco Airport.

SFO is one of two airports readily accessible to the Stanford campus, and the only option for trips to some destinations. Most of our 17,000 students and faculty travel by air several times a year, as do substantial numbers of our 6,000 staff. Like all travelers, each of us weighs the costs in time and money in deciding how to get to the airport, and the time required for public transit often outweighs the cost of long-term parking. Simpler, faster, more pleasant transit links between Stanford and SFO will help tip the balance for many of us.

My office is working hard to make transit a more viable choice for Stanford commuters and residents. Not only do we want to help in the regional effort to reduce traffic congestion, we are also looking for ways to minimize the amount of land and money needed for parking on campus. We hope that in the next year we will be able to re-route our Marguerite shuttle system so it serves the Palo Alto CalTrain Station all day long - we now go there six hours a day, but not at midday - and to offer other local shuttle options for commuters. We also hope to be able to provide better weekend and evening transportation for students who live on campus, to reduce their need to bring a car to Stanford. These programs will help ensure that we can get people from campus to the train fairly efficiently whenever the trains are running, and we welcome your efforts to get them from the train to the plane in the most cost-effective way.

Sincerely,

Julia Fremon
Manager of Transportation Programs

**NIBBI-TOM, J.V.'S STATEMENT OF POSITION
REGARDING AIRPORT CONTRACT NO. 1723R
FIREHOUSE NO. 2 REPLACEMENT PROJECT**

May 17, 1994

Submitted by:

Reuben & Cera
James A. Reuben
Joel Yodowitz
655 Montgomery Street, 16th Floor
San Francisco, California 94111

Attorneys for Nibbi-Tom, J.V.

**NIBBI-TOM, J.V.'S STATEMENT OF POSITION
REGARDING AIRPORT CONTRACT NO. 1723R
FIREHOUSE NO. 2 REPLACEMENT PROJECT**

Bid opening: February 24, 1994

Bids: Barnes/Lem, J.V.: \$3,482,000 [apparent low bidder]
Nibbi-Tom, J.V.: \$3,586,229

Protest chronology: March 3, 1994: Nibbi-Tom files protest [Exhibit 1]
March 11, 1994: Barnes/Lem responds to protest letter [Exhibit 2]
March 17, 1994: Nibbi-Tom replies to Barnes/Lem's March 11 letter [Exhibit 3]
March 17, 1994: State Contractors License Board suspends license of E.T. Electric, one of Barnes/Lem's subcontractors [Exhibit 4]
April 19, 1994: Deputy Director of San Francisco International Airport denies Nibbi-Tom's protest [Exhibit 5]

Barnes/Lem's inconsistent Bid Form and HRC Form 2: Copies attached as Exhibit 6.

Argument in behalf of Nibbi/Tom, J.V.:

1. By changing the dollar values of its listed subcontractors, Barnes/Lem unilaterally engaged in a material alteration of the bid, giving it an unfair advantage over other bidders and violating the Subcontractors Listing Law. As an fundamental rule of contract law, the Bid Form and the HRC Form 2 submitted by Barnes Lem must be read together as comprising, collectively, Barnes/Lem's bid submission. The two documents cannot be reconciled: the numbers are different in material respects. Barnes/Lem should not be permitted to pick and choose which of the sets of numbers is the one it wants to perform. To allow Barnes/Lem to do so would make a mockery of the public bidding procedures, which have been established

to ensure fairness and openness in the bidding process. The HRC Form 2 is no less a part of a contractor's bid than any other form or document required by the awarding authority to be submitted. By setting forth internally inconsistent subcontract numbers, Barnes/Lem has submitted a non-responsive bid and created an unwieldy precedent.

2. The policy behind the Subcontractors Listing Law is to prevent bid shopping, protect the interests of subcontractors against unscrupulous general contractors, and ensure that the public obtains a firm price. This policy would be torn asunder if contractors were entitled to submit different contract amounts on different documents supporting the same bid, then pick and choose between them. There is no significant difference between changing subcontract values and changing subcontractor names. Both violate the law. The Subcontractors Listing Law requires the bidder to list the names of all subcontractors who will perform at least 0.5% of a public job. San Francisco has added to this an additional layer of protection for the subcontractors, the public and the awarding authority, by requiring the bidder to set forth not only the subcontractors' names and license numbers, but also the subcontract amounts. As a matter of logic, law, and public policy, a general contractor should not be permitted to submit a bid which fails to specify with precision a single subcontract price for each listed subcontractor. Anything less would render meaningless San Francisco's HRC requirements.

3. Barnes/Lem has listed several different electrical subcontractors, each with the name E.T. Electric, but each with a different purported State Contractors License number, but none of which are valid licenses. This is not a situation where an agency awards a contract not knowing that a subcontractor is unlicensed, and then permits the general contractor to substitute subcontractors. Here, in marked contrast, Barnes/Lem unilaterally substituted one E.T. Electric for another for another, none of whom were or are validly licensed, and the Bid Form lists a

different E.T. Electric than on HRC Form 2. It would be grossly unfair for Barnes/Lem to obtain a contract where its bid relies upon an unlicensed subcontractor.

1

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March 3, 1994

VIA FACSIMILE TRANSMISSION & CERTIFIED MAIL

Mr. Ernie Eaves
Deputy Director - Facilities Operations & Maintenance
San Francisco International Airport
P.O. Box 8097
San Francisco, California 94128

Re: San Francisco International Airport Firehouse #2 Replacement -
Contract 1723R
Bid Protest of Nibbi-Tom, J.V.
Our File No. 1600.96

Dear Mr. Eaves:

I. **PROTEST**

This office represents Nibbi-Tom, J.V. ("Nibbi"), one of the bidders on the Firehouse #2 Replacement project. Nibbi hereby protests the incomplete and non-responsive bid submitted to the San Francisco Airports Commission by Barnes/Lem in reference to the Firehouse #2 Replacement (the "Project").

II. **STATEMENT OF FACTS**

On February 24, 1994, bids were received in regard to the above-referenced project. Barnes/Lem was the apparent low bidder at \$3,482,000 while we understand Nibbi was second at \$3,586,229. Barnes/Lem's bid is non-responsive for several independent reasons: (1) Barnes/Lem has included in its bid a subcontractor who is not licensed in compliance with the Business and Professions Code of California; (2) Barnes/Lem has violated the express prohibition in paragraph 12 of the Instructions to Bidders (Document 00100) by modifying its bid; (3) Barnes/Lem violated section 6.48 of the San Francisco Administrative Code by failing, as required by General Condition E(1) of the Bid Proposal to include, the California Contractor's State License Number and San Francisco Business Tax Registration Numbers for all subcontractors; and (4) Barnes/Lem has attempted to change its bid without the approval of the contracting agency, in violation of Public Contracts Code section 4100, et seq.

Mr. Ernie Eaves
March 3, 1994
Page 2

- A. Barnes/Lem's electrical contractor, E.T. Electric is not licensed as a contractor in California and therefore Barnes/Lem's bid is non-responsive and in material variation from the bid requirements.

California law requires that public contracts be awarded in strict with bid requirements, and a non-conforming bid may not be accepted. Konica Business Machines, USA, Inc. v. Regents of the University of California (1988) 206 Cal.App.3d 449. The strict compliance standards derives from the importance of maintaining integrity and government and the ease with which policy goals underlying the requirements for open competitive bidding may be surreptitiously undercut if bidders were not held to a high standard of exactitude. Id.

California Business and Professions Code ("BPC") section 7028.15, provides:

"(a) it is a misdemeanor for any person to submit a bid to a public agency in order to engage in the business or act in the capacity of a contractor within this State without having a license therefore, ...

"(e) unless one of the foregoing exceptions applies, a bid submitted to a public agency by a contractor who is not licensed in accordance with this chapter shall be considered non-responsive and shall be rejected by the public agency. Unless one of the foregoing exceptions applies, a local public agency shall, before awarding a contract or issuing a purchase order, verify that the contractor was properly licensed when the contractor submitted the bid. ...the registrar may issue a citation to any public officer or employee of a public entity who knowingly awards a contract or issues a purchase order to a contractor who is not licensed pursuant to this chapter. ... any contract awarded to, or any purchase order issued to, a contractor who is not licensed pursuant to this chapter is void."

BPC section 7028.15, being specifically applicable to public entities, comports and implements the fundamental principals indispensable to competitive bidding and the public contacts - (1) an offering to the public, (2) an opportunity for competition; and (3) a basis for the exact comparison of bids, i.e., bidding for the same particular thing to be done according to the same specifications by similarly qualified entities. See Konica Business Machines USA, Inc. v. Regents of the University of California (1988) 206 Cal.App. 3d 449, 456.

It has come to the attention of Nibbi that the electrical subcontractor that Barnes/Lem listed does not have a current C-10, Electrical Subcontractor license. According to the State Licensing Board, E.T. Electric, license No. 629225 had their license expire on September 30, 1993. The general conditions of the Invitation to Bid set forth by the Airport Commission at section E(1) specifically requires that each bidder must set forth the subcontractor's California Contractors State License no. for each subcontractor whose

Mr. Ernie Eaves
March 3, 1994
Page 3

work exceeds one half of one percent of the total bid. It goes without saying that in order to successfully present the bid, based in part on a subcontractor's proposal, the subcontractor must be licensed to perform the work which is being proposed. This fact, is recognized by the contract requirement that the contractor's license number be presented. As E.T. Electric does not possess a license, and E.T. Electric's subcontract consists of nearly 10% of the total contract amount, Barnes/Lem's bid is non-responsive and E.T. Electric's failure to have a license consists of a material variance with the bid requirements.

Bids containing such variances must be rejected as Barnes/Lem's failure to ensure that its subcontractors complied with the bid requirements renders Barnes/Lem non-responsive and therefore unable to perform in accordance with the requirements of the bid solicitation as required by law. See City of Inglewood-Los Angeles County Civic Authority v. Superior Court (1972) 7 Cal.3d 861.

- B. Barnes/Lem's bid is non-responsive as there has been an attempt to modify the bid in violation of the specific language of the bid solicitation requests.

Section 00100-1 (Instructions to Bidders) at paragraph 12 clearly specifies that "bidders may not modify bid form or qualify their bids." As stated above, California law is well settled that a responsive bid must be in strict and full accordance with the "material" terms of the bid proposal. See Konica Business Machines, 206 Cal.App.3d 449.

Here, bidders on the Firehouse Replacement contract were clearly required by the terms of the bid proposal at section 00700-4 (General Conditions) E(1)(d) to set forth the "amount to be paid for subcontractors' work, labor, or service." Barnes/Lem initially set forth various sums for each of the subcontractors whose work was intended to be carried forth on this project on subcontractors form 00430. For instance, Meiswinkel for plaster and drywall was initially set out at \$272,000. However on HRC Form 2A, submitted the next day by Barnes/Lem Meiswinkel's bid had dropped to \$240,000 an unexplained difference of over \$32,000. This is in direct contravention of the contract terms which require that no modifications may be made, or qualifications, to the bid amounts. Furthermore, it appears that the type of behavior which resulted in this decrease in bid, resulted from "bid shopping" of the type expressly rejected by the California Legislature in Public Contracts Code section 4100, et seq.

- C. Barnes/Lem's bid is non responsive because it does not comply with section 6.48 of the San Francisco Administrative Code.

San Francisco Administrative Code section 6.48 requires that the bidder set forth in his or her bid the following:

Mr. Ernie Eaves
March 3, 1994
Page 4

to the general contractor in or about the construction of the work or improvement in an amount in excess of one half of one percent of the general contractor's total bid.

b. A brief description of the work which will be done by each subcontractor under this section.

c. The amount to be paid to each subcontractor for his/her said work labor or service.

Barnes/Lem has violated this express provision of the San Francisco Administrative Code, and furthermore breached the general conditions of the bid proposal in which the elements of this section are set forth by, on Nibbi's information and belief, failing to set forth the California Contractor's State License number and San Francisco Business Tax Registration Numbers for all subcontractors. It is Nibbi's belief that Barnes/Lem failed to set forth both the California Contractor's License Number and the San Francisco Business Tax Registration Number for several of the subcontractors, including RAM Rebar and Sullivan Masonry. Furthermore, Barnes/Lem has breached the intent of this section by attempting, between its submission of Form 00430 and HRC Subcontractor Participation Form 2A, to deviate from the requirement that the subcontractor dollar amount be set forth in the bid.

D. Barnes/Lem has attempted to change its bid without the approval of the contracting agency in violation of Public Contracts Code section 4100. et seq.

Public Contracts Code section 4107 provides that, after a bid has been accepted, a substitution regarding the employment of a subcontractor may only be made under specified conditions, and even then only at the discretion of the contracting agency. Section 4107 additionally states that even if the contractor which is to complete the work on his or her own, the permission of the contracting agency must be received. See Public Contracts Code section 4107(b). Additionally, Public Contracts Code section 5101(a) clearly specifies that no change in the bid is allowed because of mistakes.

Here, Barnes/Lem set forth differing bid amounts for several of the subcontractors for its project between the submission of Subcontractors Form 00430 and HRC Subcontractor Participation Form 2A. Barnes/Lem's attempt to modify its bid contravenes the provisions of the Public Contracts Code disallowing any attempt to modify a bid due to mistake (see Public Contracts Code section 5101) and further runs afoul of the provisions of Public Contracts Code section 4107 which express a clear intent on the part of the California Legislature to require consent of the contracting agency before any modifications regarding subcontractors are made.

III. CONCLUSION

Mr. Ernie Eaves

March 3, 1994

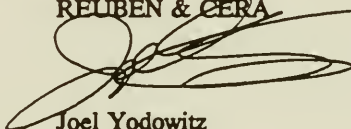
Page 5

Barnes/Lem is a non-responsive bidder because it has failed in several respects to meet the requirements of the bid proposal. Barnes/Lem's bid cannot be considered "responsible" and Barnes/Lem as a bidder, cannot be seen as having the ability to perform in accordance with requirements of the Bid Solicitation. See City of Inglewood-Los Angeles County Civic Authority v. Superior Court (1972) 7 Cal3d 861. Barnes/Lem has amply demonstrated its inability to perform as required in the Bid Proposal. For the reasons stated herein as next lowest bidder, Nibbi respectfully requests that it be awarded the contract for the above-referenced project. In the event that Nibbi is not awarded the aforementioned contract, Nibbi requests that the Airports Commission reject all bids.

By service of this protest, Nibbi seeks to proceed to avail itself of all administrative remedies offered by the Airports Commission or by any other related government agency with jurisdiction, and hereby requests that it be informed of any such process. Please address all correspondence regarding this bid protest to the undersigned. Finally, please acknowledge receipt of this notice. Thank you for your attention.

Very truly yours,

REUBEN & CERA

A handwritten signature in dark ink, appearing to read 'Joel Yodowitz', is written over the typed name. The signature is stylized with large, sweeping loops.

Joel Yodowitz

JY/rce

cc: Lawrence Nibbi
Gretchen Nicholson, Esq.
Barnes/Lem
James A. Reuben, Esq.
David M. Bertenthal, Esq.

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WILLIAM H. MCINERNEY, JR.

RECEIVED

MAR 12 1994

REUBEN & SON

March 11, 1994

VIA FACSIMILE, HAND DELIVERY AND CERTIFIED MAIL

Mr. Ernie Eaves
Deputy Director
Facilities Operations & Maintenance
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Re: San Francisco International Airport Firehouse #2 Replacement
Contract 1723R
Bid Protest of Nibbi-Tom J.V.

Dear Mr. Eaves:

We represent N.L. Barnes Construction Co. Inc. ("Barnes"), the low bidder, in reply to Nibbi-Tom J.V.'s March 3, 1994 letter. Barnes was the lowest responsible, responsive bidder on this project. Nibbi-Tom J.V. ("Nibbi"), second bidder, protests an award to Barnes on four (4) similar grounds, each of which we will address separately:

A. BARNES/LEM'S SUBCONTRACTOR, E.T. ELECTRIC, IS LICENSED

Nibbi alleges that Barnes' electrical subcontractor, E.T. Electric does not have a current C-10 Electrical Subcontractor's License. That is not true. E.T. Electric is a partnership. Their contractor license is No. 650243, Classification C-10 (copy attached), and is active.

Mr. Ernie Eaves
March 11, 1994
Page 2

As an aside, an incorrect license number, or even a suspended or expired subcontractor license, would not render Barnes/Lem's bid either non-responsive, or a material variation with the bid requirements. California Business and Professions Code §7028.15 cited in part in Nibbi's bid protest, is applicable to Barnes, not its subcontractors. The statute's application is clear on this point. It governs a contractor's submission of a bid to a public agency, not a subcontractor's bid to a contractor. Barnes was the entity submitting a bid to the Airport Commission and it was and still is licensed.

**B. BARNES/LEM HAS NEITHER MODIFIED NOR ATTEMPTED TO
MODIFY ITS BID, IN VIOLATION OF SPECIFIC LANGUAGE
OF THE BID'S SOLICITATION REQUEST**

Nibbi argues that the differences in certain subcontract amounts, listed in the Subcontractors' List (Document 00430) and HRC Form 2A (Document 00487) render Barnes' bid non-responsive.

In an effort to hold its argument together, Nibbi raises four points: Instructions to Bidders §00100-12, Konica Business Machines U.S.A., Inc. v. Regents of the University of California (1988) 206 Cal.App.3d 449, General Conditions 00700-1.02 E.1.d., and Public Contracts Code §4100, et seq.

While its citation of §00100-12's wording is correct, Nibbi's tortuous interpretation of its intent is wrong. §00100-12 refers to modifying the Bid Form, itself, or qualifying the bid. Barnes' Bid Form was not modified, nor was there a qualification of its bid.

Nibbi's cite of Konica Business Machines, 206 Ca.3d 449, as support for its bid's protest is inapplicable to this situation. Konica, supra, while arising out a bid protest, dealt with the issue of whether the apparent low bid met the minimum performance specifications for copiers, which the bidders were required to strictly comply with.

General Conditions §00700-1.02 E.1.d., request the bidder set forth "the amount to be paid for subcontractors' work, labor, or services". Barnes did this to the best of its ability at bid time. As Nibbi is well aware, the bidding process leading to the actual submission of a bid is hectic, confusing and difficult. The bidder tries to hold its own bid until the last minutes, to insure that it has obtained the final price quotes from the various suppliers and subcontractors. Often its bid is submitted while subcontractor's quotes are still coming in.

During the closing minutes of a bid, the bidder tries to determine if a subcontractor's oral quote is affected by their subcontractors' qualification fax, which invariably precedes its quote. Very often the bidder cannot make this determination until after the bid is submitted. The Public Contracts Code recognizes this difficulty and only requires the name, location and portion of work for each listed subcontractor.

As for Public Contracts Code §4100 et seq. (The Subletting and Subcontracting Law), Nibbi offers no evidence that Barnes violated any of its provisions. To the contrary, the facts show that Barnes complied with these provisions. The applicable section, §4104, requires a prime contractor to include in its bid the name, location of each subcontractor who performs work in excess of one-half of one percent of the prime contractor's total bid, and the portion of work the subcontractor will be performing. Barnes included all that information in its bid. Further, each subcontractor listed on the Subcontractors' List, is listed on the HRC Form 2A.

C. BARNES/LEM'S BID HAS COMPLIED WITH §6.48 OF THE
SAN FRANCISCO ADMINISTRATIVE CODE

The arguments that Nibbi raise in regard to San Francisco Administrative Code ("SFAC") §6.48 are identical to those in Part B of its Protest Letter. Barnes' response is the same. Like the Instructions to Bidder itself, SFAC §6.48 does not state that a variation in amounts listed in the Subcontractors' List and the HRC 2A form will render the bid non-responsive.

Next, Nibbi argues that Barnes failed to set forth the California Contract's License number and the San Francisco Business Tax Registration number for all its listed subcontractors. To the contrary, Barnes did list license numbers for each of the subcontractors.

As for the San Francisco Tax Registration Certificate numbers, there is no place on either form to include such information. It is up to the Airport Commission, in its specification, to include provision for the submission of such registration numbers.

To the extent a subcontractor's license, or Business Tax Registration number is an issue, it is one of responsibility, not responsiveness. Under various federal decisions, the issue of a license has been held to be a matter of responsibility, not of responsiveness. Even where the bidding documents attempt to characterize it as a responsiveness issue.

"The invitation for bid (IFB) will frequently require the bidder to have a particular federal, state or local license, or operating certificate. This is also a matter of responsibility (not responsiveness) - regardless of the IFB's language - so that, although a bidder does not need to have the license or certificate at the time he submits his bid, he must have them in order to perform". Pete Shnitzer, Government Contract Bidding, 3rd.Ed. Pges 16 - 9.

"...The primary purpose of a license requirement is to determine a bidder's legal authorization to perform the contract, which is a matter of responsibility and is not related to an evaluation of the bid... The purpose of the license requirement is to determine a matter of responsibility. In this regard, there is no suggestion in the invitation that the failure to comply with the permit certification requirement, at the time of bid opening would preclude further consideration of the bid because it was non-responsive..." 47 Comptroller General 539

The key to the issue of responsibility is the Contractor's ability to perform the requirements of the contract. That is always done subsequent to bid opening. This fact cannot be disputed by Nibbi, since its cited case, City of Inglewood - Los Angeles County Civic Center Authority v. Superior Court; 7 Cal.3d 861, held that a bidder's qualification is an issue of responsibility rather than responsiveness. An issue of responsibility is determined prior to the award of a public works contract, but after the submission of bids.

Another reason why a post-bid determination of responsibility is correct, is that in California, a subcontractor does not need a license to enter into a subcontract. The license is only required on the day performance of the subcontract commences. See Vitec. A. Inc. v. Alvarado Ice Palace, Inc. (1973) 34 Cal.App.3d 586; 110 Cal.Rptr. 86; Business & Professions Code §7031.

Mr. Ernie Eaves
March 11, 1994
Page 5

Finally, the General Conditions 00700-1.02 E.5. requires a post-bid determination of a subcontractor's responsibility.

"Contractor shall file with Commission a copy of each contract which Contractor proposes to enter into for subcontracting or assigning any portion of Work, with such information as will enable Commission to determine responsibility and standing of proposed subcontractor or assignee...."

D. BARNES/LEM HAVE NOT VIOLATED PUBLIC CONTRACTS CODE §4100 et seq.

§4107 A Prime Contractor Whose Bid is Accepted;
Probation

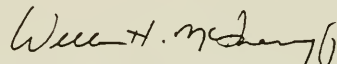
No Prime Contractor whose bid is accepted shall:

- (a) Substitute any person as subcontractor in place of the subcontractor listed in the original bid, except that the awarding authority, or its duly authorized officer, may, except as otherwise provided in §4107.5, consent to the substitution of another person as a subcontractor in any of the following situations:.....

Even in the most cursory examination of the subcontractors' list and HRC Form 2A, will not reveal any changes in the listed subcontractors. Further, §4107 does not govern corrections to subcontract amounts, but the substitution of the entire subcontracting entity.

In conclusion, Barnes/Lem J.V. have complied with the requirements for the invitation of bid. It is the low bidder on this project, and rightfully entitled to the award of the project.

Very truly yours,


William H. McInerney, Jr.

WHM:JP
Enclosure

Mr. Ernie Eaves
March 11, 1994
Page 6

ccs: N.L. Barnes Construction Co. Inc. Via Facsimile/First Class
Mail

Reuben & Cerra - Attention: J. Yodovitz Via Facsimile/First
Class Mail

Nibbi-Tom - Via Facsimile and First Class Mail

FAX TRANSMITTAL

of Pages

TO: Bill

FROM: Rudy

CO:

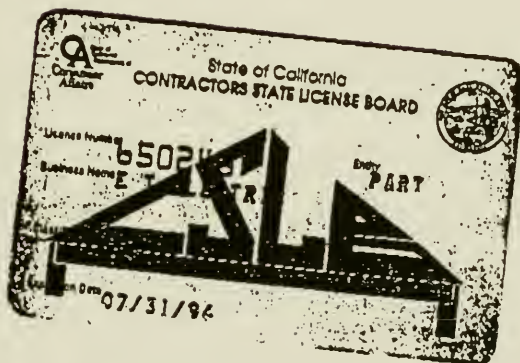
E.T. ELECTRIC

PHONE:

PHONE: (510) 732-2624

FAX #

FAX # (510) 732-7768



3

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March 17, 1994

VIA FACSIMILE TRANSMISSION & CERTIFIED MAIL

Mr. Ernie Eaves
Deputy Director - Facilities Operations & Maintenance
San Francisco International Airport
P.O. Box 8097
San Francisco, California 94128

**Re: San Francisco International Airport Firehouse #2 Replacement -
Contract 1723R
Bid Protest of Nibbi-Tom, J.V.
Our File No. 160096**

Dear Mr. Eaves:

As you know, this office represents Nibbi-Tom, J.V. ("Nibbi"), which has previously submitted a bid protest regarding the incomplete and non-responsive bid submitted to the San Francisco Airports Commission by Barnes/Lem in reference to the Firehouse #2 Replacement Project (the "Project"). By letter dated March 11, 1994, from McInerney & Dillon, Barnes/Lem responded to Nibbi's bid protest. Nibbi submits that Barnes/Lem's position is not factually or legally supportable, and the bid protest should be upheld. This letter will address the points raised in Barnes/Lem's response, and demonstrate why they should be rejected.

A. BARNES/LEM'S ATTEMPT TO SUBSTITUTE ELECTRICAL CONTRACTORS WITH DIFFERENT LICENSE NUMBERS CONSTITUTES A VIOLATION OF THE PUBLIC CONTRACTS CODE

California Public Contracts Code section 4107 governs the ability of a general contractor to substitute subcontractors after presenting its original bid. Public Contracts Code section 4107 provides in relevant part that a prime contractor may not "substitute any person as a subcontractor in place of the subcontractor listed in the original bid, except that the awarding authority, or its duly authorized officer, may, except as otherwise provided in section 4107.5, consent to the substitution of another person as a subcontractor..." (emphasis added). Section 4107(a) therefore only allows the substitution of a subcontractor after presentation of the original bid in the discretion of the contracting agency, and even then goes on to limit that discretion to a select set of circumstances.

Mr. Ernie Eaves

March 17, 1994

Page 2

In its subcontractors list submitted with its bid proposal (Document 00430), Barnes/Lem initially listed as its electrical subcontractor E.T. Electric, having License No. 421777. However, License No. 421777 was never assigned to E.T. Electric.

Apparently belatedly recognizing this flaw, the day after filing its bid proposal, Barnes/Lem filed Form HRC 2A, once again listing E.T. Electric as its electrical subcontractor, but changing the license designation to License No. 629225. The records of the Contractors State License Board reveal that License No. 629225 was issued to E.T. Electric, 28306 Industrial Boulevard, Hayward, California 94545, with Erlinda D. Callo as the sole owner. This license expired on September 30, 1993 and there has been no renewal of the license.

Now, in response to Nibbi's bid protest, Barnes/Lem has proffered a third license number for E.T. Electric. Although this license is registered to an E.T. Electric, it is a different E.T. Electric than that listed in Barnes/Lem's earlier documents. This E.T. Electric has an address of P.O. Box 14543, Fremont, California, and the license was issued to a partnership consisting of Rudolpho Callo and Bao Quoc Kephart. This license was suspended at the time of the bidding, but has subsequently been brought back into current standing.

Barnes/Lem cannot be allowed to continue to redesignate differing electrical contractor licensees and entities, nor to substitute electrical subcontractors unilaterally. By substituting a sole proprietorship based in Hayward, California (Erlinda Callo, License No. 629225) with a partnership located in Fremont, California (Rudolpho Callo and Bao Quoc Kephart, License No. 650243), Barnes/Lem has clearly violated Public Contracts Code section 4107, which expressly forbids subcontractor substitution except under narrow circumstances, and then only with the consent of the contracting authority. In light of Barnes/Lem's multiple characterizations of E.T. Electric's identity and licensure, Nibbi urges the Airports Commission to deem Barnes/Lem's bid nonresponsive and deny Barnes/Lem's attempt to substitute subcontractors .

B. BUSINESS AND PROFESSIONS CODE SECTION 7028.15, THE SAN FRANCISCO ADMINISTRATIVE CODE, AND THE BID DOCUMENTS PROHIBIT BARNES/LEM FROM LISTING A SUBCONTRACTOR, E.T. ELECTRIC, WHOSE LICENSE HAS BEEN SUSPENDED

California Business and Professions Code ("BPC") section 7026 defines the term "contractor" as including subcontractors. BPC section 7028.15(e) provides in relevant part that "a bid submitted to a public agency by a contractor who is not licensed in accordance with this chapter shall be considered non-responsive and shall be rejected by the public agency." Section 1.02.E.1 of the general conditions in the bid documents requires, for each listed subcontractor, the submission of the subcontractor's license number.

Mr. Ernie Eaves
March 17, 1994
Page 3

Barnes/Lem does not contend that the license number it presented on behalf of E.T. Electric in the bid documents was valid. Instead, Barnes/Lem asserts that E.T. Electric was not required to have a valid license at the time the bid was presented and that, in any event, E.T. Electric has another, valid, license.

Barnes/Lem's interpretation of BPC section 7028.15 is simply incorrect. As noted above, the term "contractor" includes subcontractors. See BPC section 7026. BPC section 7028.15 clearly forbids anyone defined as a "contractor" from submitting a bid to a public agency. Indeed, such an action is a misdemeanor under BPC section 7028.15(a). Section 7028.15 does not separate out subcontractors from its requirements. To attempt to claim that this section only applies to the general contractor requires an inventive reading of the statute, results in a limitation in the statute's application not present in its plain language, and is antithetical to the purpose of the statute, which is to prevent unlicensed contractors from participating in public contracts.

To claim that E.T. Electric is not subject to the provisions of the Business and Professions Code simply because the bid in question was presented by a general contractor ignores reality. All the subcontractors are participants in Barnes/Lem's bid. If this were not the case, the invitation for bids itself would not have required the listing of subcontractors' license numbers, indicating that possession of a license was considered a material element of the sufficiency of a bid. See also BPC section 7030.5 (requiring inclusion of license number by all "contractors" in all construction contracts, bids and advertising).

Barnes/Lem now freely admits that the license number it provided on behalf of E.T. Electric is invalid, and seeks to substitute another license number under which it claims E.T. Electric is actually entitled to do business. Barnes/Lem's attempt to substitute the Fremont-based partnership of E.T. Electric for the Hayward-based E.T. Electric solely owned by Erlinda Callo, represents an attempt to modify its bid in clear violation of the requirements of section 6.48 of the San Francisco Administrative Code and section 1.02.E.1.e of the general conditions of the bid documents, which require the submission of valid subcontractors' license numbers. As will be discussed in more detail in Section C below, the instructions to bidders clearly state at paragraph 5, page 00100-1, that "any violation of sections 6.48 through 6.52 of SFAC may result in a bid being deemed nonresponsive and not being considered." Here, Barnes/Lem violated section 6.48 and the express conditions of the bid invitation by providing an invalid subcontractor's license number for E.T. Electric and then attempting to substitute another entity with the same name. The instructions to bidders clearly specify that Barnes/Lem may not modify or qualify its bid. See section paragraph 12, page 00100-1.

In any event, it is unlikely that E.T. Electric will be licensed for much longer, let alone at the time work on the project begins. Nibbi Brothers, Inc., in a separate contract entered into several years ago, engaged a predecessor-in-interest to E.T. Electric, named

Mr. Ernie Eaves
March 17, 1994
Page 4

R.C. Electrical, on another construction project. The owner and qualifying partner of R.C. Electrical was Rudolpho Callo, the same Rudolpho Callo who is the qualifying partner for Barnes/Lem's subcontractor here, E.T. Electric. The numerous errors and misrepresentations of Mr. Callo led to a lawsuit being filed by Nibbi Brothers, which was successfully prosecuted to a judgment in the amount of approximately \$700,000, plus interest, costs and attorneys' fees. Nibbi Brothers' judgment was obtained against R.C. Electrical and Mr. Callo, both of whom subsequently filed for bankruptcy, as well as against R.C. Electrical's successor, E.T. Electric, the same entity that Barnes/Lem claims as its subcontractor here. Presently, Nibbi Brothers, Inc. has an outstanding, unsatisfied judgment against E.T. Electric totalling over \$700,000. By letter dated March 15, 1994, a copy of which is attached hereto as Exhibit A, Nibbi Brothers, Inc. has informed the Contractors' State License Board of this outstanding, unsatisfied judgment against E.T. Electric. It is anticipated that unless E.T. Electric is able to satisfy this judgment immediately, its license will once again be suspended.

C. BARNES/LEM HAS ATTEMPTED, AND CONTINUES TO ATTEMPT, TO MODIFY ITS BID IN VIOLATION OF THE SPECIFIC LANGUAGE OF THE INVITATION FOR BIDS, SAN FRANCISCO ADMINISTRATIVE CODE SECTION 6.48, AND GENERAL CONDITIONS SECTION 1.02.E.1d

Paragraph 12 of the instructions to bidders, at page 00100-1, clearly specifies that "[b]idders may not modify Bid Form or qualify their bids." Paragraph 5 on the same page states that:

"Bidders must submit names of all subcontractors in the respective bid item sub-bids on Document 00430, Subcontractors List, for those subcontractors performing one half of one percent or more of the total bid. Any violation of Sections 6.48 through 6.52 of SFAC may result in bid being deemed nonresponsive and not being considered." (Emphasis added).

San Francisco Administrative Code section 6.48, and General Conditions section 1.02.E.1 require the amount to be paid for each subcontractor's work be set forth on Document 00430. California law requires that public contracts be awarded in strict compliance with bid requirements, and a nonconforming bid may not be accepted. See Konica Business Machines, USA, Inc. v. Regents of the University of California (1988) 206 Cal.App.3d 449.

Barnes/Lem, in its opposition to Nibbi's bid protest, admits that it changed the bid amounts for the subcontractors between the filing of Document 00430 and the filing the next day of HRC Form 2A, but justifies this behavior by claiming that it complied with the requirements of the bid invitation "to the best of its ability at bid time." Whether this is true

Mr. Ernie Eaves
 March 17, 1994
 Page 5

or not, is irrelevant¹. The invitation for bids is clear that the amounts to be paid subcontractors must be set forth on Document 00430 and that the bid may not be modified. Barnes/Lem admits that it modified its bid by changing the amounts to be paid the various subcontractors on Document 00430 and on HRC Form 2A. Furthermore, as discussed above, Barnes/Lem has also attempted to modify its bid by substituting a presently licensed E.T. Electric for the E.T. Electric specified by Barnes/Lem in the bid documents. As Barnes/Lem has materially violated the provisions of the bid invitation regarding modification, as well as the requirements therein and in SFAC section 6.48 that the subcontractors' bid amounts be specified on Document 00430, Barnes/Lem has materially violated the requirements of the invitation for bids, rendering its bid nonresponsive.

D. THE SUBCONTRACTORS LISTING LAW PROHIBITS BARNES/LEM FROM SUBSTITUTING SUBCONTRACTORS AND CHANGING CONTRACT AMOUNTS

The purpose of the subcontractor listing law (Public Contracts Code sections 4100 et seq.), as expressed in Public Contract Code section 4101, is to "protect the public and subcontractors from the evils attendant upon the practices of bid shopping and bid pedaling subsequent to the award of the prime contract or a public facility." Southern Cal Acoustics Co. v. C.V. Holder, Inc. (1969) 71 Cal.2d 719, 726. The law protects the public by guaranteeing a firm price for the public work, and protects the subcontractors from unfair pressure by unscrupulous general contractors. As noted in the Holder case, "since the purpose of the statute is to protect the public and subcontractors from the evils of the proscribed unfair bid pedaling and bid shopping, we hold that it confers the right on the listed subcontractor to perform the subcontract unless the statutory grounds for a valid substitution exists." Holder, page 727.

That the subcontractor listing law was intended to protect subcontractors as well as the public was reaffirmed in Bay Cities Paving & Grading, Inc. v. Hensel Phelps Construction Company (1976) 56 Cal.App.3d 361. There, when the general contractor submitted its total bid, it listed both itself and a subcontractor (Bay Cities) as the subcontractors responsible for the paving and excavation work. A dispute arose between the general (Hensel) and Bay Cities regarding who would do how much of the paving and excavation work. The court in Bay Cities outlined the general purposes of the subcontractor listing law, and held that Hensel had violated the act (specifically section 4104(b)), which requires the prime contractor to "list only one subcontractor for each such portion as defined by the prime contract or in his bid." The court stated that "the purpose of these provisions is to protect the original subcontractor against replacement by either another subcontractor

¹ Barnes/Lem also complains that Nibbi should know what a confusing time it is at the time of presenting a bid. It is worthwhile noting that while bid day may be a hectic time, Nibbi did not feel the need to change its subcontractors' bids from one day to the next, as did Barnes/Lem, by as much as \$113,000 in the case of Kent Lim.

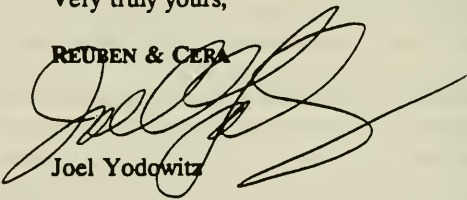
or by the prime contractor." 56 Cal.App.3d at 365. The court held that by designating both itself and Bay Cities on the same line in the designation of subcontractors, Hensel "frustrated the purpose of the listing requirement of the act." Id.

The present situation is analogous to that in Bay Cities, in that instead of listing two subcontractors on the same line for one portion of the work, Barnes/Lem listed one price for the subcontractors in its bid documents, and then in the HRC form listed a different price for the same subcontractors. Barnes/Lem also listed different electrical subcontractors, as noted above. Hence, as in Bay Cities, the purpose of the act has been frustrated because the subcontractors were not protected as to the amount of their bids. This presents an independent ground for rejecting the bid of Barnes/Lem.

For the foregoing reasons, and those set forth in our protest letter dated March 3, 1994, Nibbi respectfully requests that its bid protest be sustained, the bid of Barnes/Lem be rejected, and that the contract be awarded to Nibbi as the next lowest, responsible bidder.

Very truly yours,

REUBEN & CERA



Joel Yodowitz

JY/rce

cc: William H. McInerney, Jr., Esq.
Gretchen Nicholson, Esq.
Ms. Gogo Heinrich
Mr. Lawrence Nibbi
Mr. Robert Nibbi
Mr. Dino D'Ercole
James A. Reuben, Esq.
David M. Bertenthal, Esq.

REUBEN & CERA

A PROFESSIONAL CORPORATION

688 MONTGOMERY STREET, 18TH FLOOR
SAN FRANCISCO, CALIFORNIA 94111
TEL: (415) 567-8000
FAX: (415) 398-8480

BEVERLY HILLS OFFICE

9720 WILSHIRE BOULEVARD, SUITE 800
BEVERLY HILLS, CALIFORNIA 90212-2014
TEL: (310) 873-4003 FAX: (310) 873-8188

JAMES A. REUBEN
KENNETH B. CERA
JOEL YODOWITZ
JOSEPH P. BREEN
SHERYL S. REUBEN
ANDREW J. JIINIUS
DAVID M. BERTENTHAL
ADMITTED TO NEW YORK ONLY

March 15, 1994

Ed Backstrom
Unsatisfied Judgment Unit
Contractors State License Board
P.O. Box 26000
Sacramento, CA 95826

Re: E.T. Electric
California State License Number 650243
Our File Number: 1600.96

Dear Mr. Backstrom:

It has recently come to the attention of this office that E.T. Electric, a partnership, is in possession of California State Contractors License No. 650243. A client of this office, Nibbi Brothers, Inc., currently possesses an outstanding unsatisfied judgment against E.T. Electric in the principal amount of \$628,862.54 plus interest, attorney's fees and costs which total, as of this date, over \$65,000.00. I have attached a copy of the judgment for your review.

This office, on behalf of Nibbi Brothers, Inc., hereby respectfully requests that you suspend E.T. Electric's Contractors License No. 650243, until you have received notification that the aforementioned judgment has been satisfied.

Please contact me if you have any questions or require additional information.

Very truly yours,

REUBEN & CERA



David Bertenthal

DB:da
Enclosure

cc: Larry Nibbi
Bob Nibbi
Dino D'Ercole
James A. Reuben
Joel Yodowitz

EXHIBIT A

1 REUBEN & CERA
2 JAMES A. REUBEN, State Bar No. 72360
3 JOSEPH P. BREEN, State Bar No. 124330
4 655 Montgomery Street, 16th Floor
5 San Francisco, California 94111
6 (415) 567-9000

7 Attorneys for Plaintiff
8 NIBBI BROTHERS, INC.

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ENDORSED
FILED
ALAMEDA COUNTY

DEC 30 1993

RONALD G. CVERHOLT, Exec. Off./Clerk
By Beverly J. Reitsma

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF ALAMEDA, NORTHERN DIVISION

NIBBI BROTHERS, INC.,

Plaintiff,

v.

E.T. Electric, and DOES I through 10,
inclusive,

Defendants.

CASE NO. 715933-8

JUDGMENT BY DEFAULT

DATE:

TIME:

DEPT:

20

Plaintiff having duly served its complaint upon defendant E.T. Electric, and said defendant having failed to file a timely response to the complaint, the Clerk of this Court duly entered the default of said defendant on October 8, 1993. Plaintiff then having requested the entry of default judgment against said defendant pursuant to the provisions of Code of Civil Procedure section 585(d), the Court conducted a hearing thereon on December 22, 1993, before the Honorable Howard L. Schwartz. Proof having been made to the satisfaction of the Court that the default of said defendant was properly taken, and the Court having considered the declarations, memorandum, and other evidence offered by plaintiff,

1 NOW, THEREFORE, IT IS ADJUDGED, ORDERED AND DECREED as
2 follows:

3 1. Plaintiff shall have judgment against defendant E.T. Electric, and said
4 defendant shall pay to plaintiff general damages in the sum of \$628,862.54; and

5 2. Plaintiff shall have judgment against defendant E.T. Electric, and defendant
6 shall pay to plaintiff the sum of \$62,886.25 in interest, plus interest at the legal rate of 10
7 percent per annum on the sum of \$694,084.44, or any unpaid portion thereof, from the
8 date of entry of judgment until the judgment is satisfied; and

9 3. Defendant E.T. Electric shall pay to plaintiff costs of suit in the amount of
10 \$622.65; and

11 4. Defendant E.T. Electric shall pay to plaintiff attorneys' fees in the amount
12 of \$1,713.00.

13 DEC 30 1993

14 Dated: _____, 1993.

15 H.L. SCHWARTZ

16 _____
17 Judge of the Superior Court of Alameda
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JAMES A. REUBEN
KENNETH B. CERA
JOEL YODOWITZ
JOSEPH P. BREEN
SHERYL S. REUBEN
ANDREW J. JUNIUS
DAVID M. BERTENTHAL
ATTORNEYS AT LAW

LAW OFFICES OF
REUBEN & CERA
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BEVERLY HILLS, CALIFORNIA 90212-2014
TEL: (310) 273-4003 FAX: (310) 273-8188

March 29, 1994

VIA FACSIMILE TRANSMISSION & CERTIFIED MAIL

Mr. Ernie Eaves
Deputy Director - Facilities Operations & Maintenance
San Francisco International Airport
P.O. Box 8097
San Francisco, California 94128

Re: San Francisco International Airport Firehouse #2 Replacement -
Contract 1723R
Bid Protest of Nibbi-Tom, J.V.
Our File No. 1600.96

Dear Mr. Eaves:

As expected, the State Contractors License Board has suspended the license of E.T. Electric, Barnes/Lem's proposed electrical subcontractor on the above-referenced project. Please find enclosed a copy of the suspension letter directed to E.T. Electric, License No. 650243, from the Contractors State License Board, suspending E.T. Electric's license as of March 17, 1994. As you will recall, Joel Yodowitz of this office had indicated in his letter of March 17, 1994 that this action was being taken. By this suspension, the Board has confirmed that even the recently substituted E.T. Electric entity cannot perform as Barnes/Lem's electrical subcontractor.

Very truly yours,

REUBEN & CERA



David M. Bertenthal

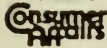
DMB/rce

Enclosure

cc: William H. McInerney, Jr., Esq.
George Wong

Mr. Ernie Eaves
March 29, 1994
Page 2

Gretchen Nicholson, Esq.
Ms. Gogo Heinrich
Mr. Lawrence Nibbi
Mr. Robert Nibbi
Mr. Dino D'Ercole
James A. Reuben, Esq.
Joel Yodowitz, Esq.

STATE OF CALIFORNIA
DEPARTMENT OF
CONSUMER AFFAIRS

CONTRACTORS STATE LICENSE BOARD

9835 GOETHE ROAD, SACRAMENTO, CALIFORNIA
MAILING ADDRESS: P.O. BOX 26000
SACRAMENTO, CA 95826
(916) 255-3900



RECEIVED

MAR 28 1994

REUBEN & CERA

TO: E T ELECTRIC
P O BOX 14543
FREMONT, CA 94539

DATE: 03/23/94

LICENSE: 650243

NOTICE OF LICENSE SUSPENSION

Subject: NIBBI BROTHERS INC vs. E T ELECTRIC
Case no. 7159338

DEAR LICENSEE:

On March 16, 1994 you were notified that you had until March 17, 1994 to comply with the Notice of Recorded and Unsatisfied Judgment to avoid suspension.

You have not complied; therefore, pursuant to Section 7071.6 of the Business and Professions Code, the license was suspended March 17, 1994. The license can only be reinstated by submitting proof that the judgment has been paid or discharged through bankruptcy.

If you have any questions, please submit them in writing to the Judgment Bond Unit at the above address.

cc: NIBBI BROTHERS INC
LAW OFFICES OF REUBEN & CERA
655 MONTGOMERY STREET, 16TH FL
SAN FRANCISCO, CA 94111

5

**Airports
Commission**

City and County
of San Francisco

Frank M. Jordan
Mayor

Patrick A. Murphy
President

J. Stanley Mattison
Vice President

L. Andrew Jeanpierre

Marie K. Brooks

Michael S. Strunsky

LOUIS A. TURPEN
Director of Airports



San Francisco International Airport

GATEWAY TO THE PACIFIC

RECEIVED
APR 28 1994

REUBEN & CERA

April 19, 1994

Mr. Joel Yodowitz, Esq.
Reuben & Cera
655 Montgomery Street, 16th Floor
San Francisco, CA 94111

Subject: Airport Contract No. 1723R
Firehouse No. 2
Replacement Project

Dear Mr. Yodowitz:

This letter is in response to your letters on behalf of Nibbi-Tom, J.V. ("Nibbi") protesting the responsiveness of the bid submitted on the above referenced contract by Barnes/Lem, a joint venture. We have been advised by the City Attorney's Office on the merits of your protest and after a review of the issues raised, the following determination is being provided to you.

Nibbi's protest on the potential award of the contract to the apparent low bidder, Barnes/Lem ("Barnes"), rests on two major issues: (1) the status of E.T. Electric's license; and (2) the listing by Barnes of different bid amounts for subcontractors on the Bid Form and on HRC Form 2.

I. E.T. Electric's License Status Is Irrelevant In The
Determination Of Whether Barnes' Bid Is Responsive.

Barnes listed E.T. Electric ("E.T.") in its Subcontractors List Form to perform electrical work. Nibbi has alleged that E.T. was not a licensed electrical contractor at the time the bid was submitted and has pointed out that Barnes has given several different license numbers for E.T. Barnes has responded that E.T. had a valid license at the time of bid opening. The City has been informed that E.T.'s license (No. 650243) was valid until its suspension, effective March 17, 1994. Bid opening occurred on February 24, 1994.

It is clear that E.T. is presently unlicensed, and possibly unlicensed at the time of bid (depending on which E.T. is being referred to in Barnes' bid). The statutes, however, do not prohibit the award of the contract to Barnes because E.T. is unlicensed or was unlicensed at the time of bid opening.

Cal. Public Contract Code §4107 provides in pertinent part as follows:

No prime contractor whose bid is accepted shall:

(a) Substitute any person as subcontractor in place of the subcontractor listed in the original bid, except that the awarding authority, or its duly authorized officer, may, except as otherwise provided in Section 4107.5, consent to the substitution of another person as a subcontractor in any of the following situations:

* * *

(6) when the listed subcontractor is not licensed pursuant to the Contractors' License Law.

* * *

Should the City award the contract to Barnes, Barnes will be able to request a substitution of E.T. with another electrical subcontractor. In the event the substitution request is denied, Barnes will be required to perform the electrical work by itself in conformance with Cal. Public Contract Code §4105. There is no evidence that Barnes is unqualified to perform said work.

II. Cal. Public Contract code §4101 et seq. Does Not Require The Listing Of Subcontractors Bid Amounts.

Nibbi's other major contention is that: 1) Barnes changed or qualified its bid by submitting an HRC Form 2 which listed different amounts to be paid to subcontractors in violation of Instructions to Bidders §00100-12, and Pub. Contracts Code §4100 et. seq.; and 2) Barnes failed to include in its bid business tax registration numbers of its subcontractors.

1) The City recognizes that the nature of the bid process requires bidders to compile their bids from quotes given at the last minute by subcontractors. The State also recognizes this problem as indicated by its omission of any requirement for bidders to list more than the names and places of business of intended subcontractors, and portion of work to be performed in excess of one-half of one percent of the contract. See §4100 et. seq.

Differences in quoted amount on the Subcontractors List Form and on HRC Form 2 were immaterial. Nothing in Chapter 6 of the San Francisco, Administrative Code requires the rejection of a bid because of differences in amounts listed in the two forms.

April 19, 1994

Nibbi also alleges that the provisions of §00100-1, paragraph 12, was violated. However, said paragraph prohibits only modifications to the Bid Form itself and prohibits any qualifications of the bid. Barnes' bid did not contain modifications to the Bid Form and its bid was not qualified. There were alterations to the Subcontractors' List Form but there are no penalties imposed for making the alterations to said form.

2) Administrative Code §6.48 provides in pertinent part as follows:

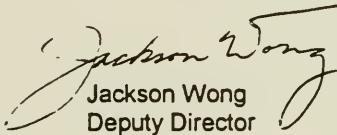
Any officer, department, board or commission taking bids for the construction of any public work or improvement shall provide in the specifications prepared for the work or improvement or in the general conditions under which bids will be received... that any person making a bid or offer to perform the work, shall in his or her bid or offer, set forth:

a) the name, Business Tax Registration Certificate number. . . .

It is incumbent upon the City to require in the contract specifications or in the general conditions the furnishing of Business Tax Registration Certificate numbers. Unfortunately, a place was not provided in the bid forms to include the information. This does not appear to be a failure on the part of Barnes. Furthermore, the issue of the Business Tax Registration Certificate numbers is one of responsibility and as such can be determined and resolved by the City after bid opening.

In conclusion, the City determines that your protest is without merit and recommendation to award Contract 1723R to the apparent low bidder, Barnes/Lem, a joint venture, will be made to the Airports Commission.

Sincerely



Jackson Wong
Deputy Director

6

DOCUMENT 00430
SUBCONTRACTORS LIST

Bidder submits the following information as to subcontractors bidder intends to employ if awarded the contract.

Name and Address of Subcontractor & Location of Mill or Shop	Description of Work Reference to Contract Items	Price/Prices Under Subcontract	State of California License No. of Sub-contractor	HRC Certified (Check box)	
				MBE	WBE
Roses S.F.	Earthwork & Driv	320,000	257692	✓	
Foundation Construction	Piling	78,000	270761		
Antrach					
Ram	Rebar	83,000	266303		
Modesto					
N.B. Anco S.F.	Steel/Misc Mtl.	320,000	314140	✓	
McLean	Metal Deck	30,000	674925		
Hayward					
Wheeler N.C.	Roofing	86,000	580843		
Richmond N.C.					
Byron Epp	Telescoping Door	172,000	574137		
Laguna					
United Calif. Glass S.F.	Glass & Glazing	229,000	261170		✓
Meiswinkel S.F.	EIFS, Plaster & Drywall	251,000	169527		
Cal Tile	Ceramic Tile	35,000	387443		
San Jose					
Burlingame N.C.	Carpet/Resilient	22,000	431658		

Contract Distributors
San Leandro, CA
(Bidder to attach additional sheets if necessary)

END OF DOCUMENT

Barnes - Lem
J.V.

DOCUMENT 00430
SUBCONTRACTORS LIST

Bidder submits the following information as to subcontractors bidder intends to employ if awarded the contract.

Name and Address of Subcontractor & Location of Mill or Shop	Description of Work Reference to Contract Items	Price/Prices Under Subcontract	State of California License No. of Sub-contractor	HRC Certified (Check box)	
				MBE	WBE
Valoff & Peck S.F.	Paint & Wallcovering	49,000	576998		✓
Berlin S.F.	Fork Service Equip.	36,000	341809		
Phoenix Phoenix Arizona	Crane	15,000	637477		
Shore-Newmeyer S.F.	Plumbing	In HVAC	537441		
Superior Milpitas	Fire Protection	23,000	287131		
John J. ... S.F.	HVAC	328,000	456789	✓	
E.T. Electric Hayward	Electrical	315,000	421777		
Sullivan Walnut Creek	Masonry	103,000	573426		

(Bidder to attach additional sheets if necessary)

Barnes

END OF DOCUMENT

DOCUMENT 00487

RECONTRACTED BY
FOR ARCHITECTURE

FEB 25 1994

HRC FORM 2A
MBE/WBE SUBCONTRACTOR PARTICIPATION FORM

SECTION 1 - SUBCONTRACT AWARD INFORMATION

	NEW
	MOD

This section is to be completed for all prime contract bids, and for all modifications to these contracts. All prime contractors, individual joint venture partners, subcontractors, suppliers and any other vendors participating in the project must be listed. However, participants of MBE or WBE prime contractors or joint venture partners are not to be utilized towards meeting the goals.

CONTRACT #: 1723E	BIDDER (PRIME): Barnes/Lem, A Joint Venture	GOAL LEVEL: 19%
JAMES DOUGLAS	BID AMOUNT: \$ 3,482,000	MBE GOAL: 17%
JANIS A. WARD, DATE:	CONTRACT TITLE: FIREHOUSE NO. 2 REPLACEMENT	WBE GOAL: 2%
VENDOR:	CONTACT PERSON: Mike Hannegan ADDRESS: 449 Tenth Street, SF, CA 94103 PHONE: 415/552-7070	OTHER GOAL: 0%
PROJECT NO. 1723E	S.F. COUNTY TRANSPORTATION AGENCY FUNDED: YES ___ NO <u>X</u> IF YES INDICATE % OF TOTAL CONTRACT: ___	

J/P/S	SUBCONTRACTOR/ VENDOR NAME	YES	SERVICES PERFORMED	%	AWARD AMOUNT	% MBE	% WBE
I/P	N.L. Barnes Constr		G.C.	135	469,567	0	0
I/P	Lem Construction		G.C.	141	486,733		0
S	Rosas Construction		Earthwork/Pave	9.1	317,500	9.1	0
S	Foundation Constr		Piles/Caissons	232	78,500	0	0
S	Ram Construction		Rebar	244	82,000	0	0
S	Sullivan		CMU	303	102,743	0	0
S	Anco Iron Works		St. Steel/Metals	9	312,450	9	0
S	Pacific Construction		Roofing/H20proof	251	85,000	0	0
S	Byron Epp		Telescoping Door	510	172,862	0	0
S	United CA Glass		Glass/Glazing	653	789,000	0	8.53
S	Frederick Meiswinke		EIFS/Plasters&Dryw	692	40,000	0	0
S	California Tile		Ceramic Tile	28	29,300	0	0
S	Valoff & Peck		Painting/WC	1.16	44,300	0	0
S	Berlin		Food Service Equip	13	45,200	0	0
S	Kent M. Lim & Co.		Mechanical	62	215,000	6.2	0

TOTAL CLAIMED MBE & WBE PARTICIPATION

See Page 2

I declare under penalty of perjury under the laws of the State of California that I am utilizing the above MBE/WBE subcontractors and subcontract amounts as reflected in the bid documents for this project.

Owner/Authorized Representative (Signature)

Date: 2/25/94

Owner/Authorized Representative (Print) Mike Hannegan

Title: Asst. V.P.

Shaded Areas For HRC Use Only. J/P/S: Indicate if contractor is Joint Venture Partner, Prime or Sub.

2
17/94

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JUNE 7, 1994

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LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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of the Minutes
Airports Commission

June 7, 1994

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Minutes
of the
Airports Commission Meeting

June 7, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Patrick A. Murphy, President
J. Stanley Mattison, Vice President
L. Andrew Jeanpierre
Marie K. Brooks

Absent: Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 17, 1994 were adopted by order of the Commission President.

No. 94-0108

* * *

D. DIRECTOR'S REPORTS:

1. Response to Joint Powers Board Presentation - Oral Report

Mr. Lou Turpen, Airport Director said that the Joint Powers Board (JPB) recently made a presentation to the Commission concerning its desire to interface with the Airport at a West of Bayshore station, a tie-in between CalTrain and the Airport's light rail system. That concept is embodied in one of the current proposals for BART service to San Francisco Airport. If consistent with the Commission's thinking, it is his intent to respond to the JPB that we are not in a position to make any recommendation until the BART alternatives crystalize.

Mr. Turpen said that if the West side of the highway is the preferred alternative, this would be automatically folded in. If it's not, then the issue needs to be revisited.

Commissioner Mattison asked about the status of the wetlands West of Bayshore. There has been a lot of loose talk about building in an endangered species habitat in a wetlands area. He recalled that there had been a fairly good analysis done of the feasibility of handling the wetlands and endangered habitat issues should the West of Bayshore alternative prevail.

Commissioner Mattison said that former BART director Frank Wilson indicated to the Commission that there were a number of statistical studies specifically proving that 80% of the riding population would be most conveniently served by the on-Airport alignment. Although Mr. Wilson mentioned a couple of times that he would forward those studies, no information has been received. If such a study exists, it should be better known. If it does not exist, then we should quit talking about it in those simplistic terms.

Mr. Turpen said that he will confirm to the JPB our desire to wait and see on their alternative. With respect to the wetlands, it has long been a fact that the West of Bayshore property can be developed. There have been some preliminary mitigation plans put forth. The Commission will receive a memo before the next meeting indicating the status to date. With respect to Mr. Wilson's comments about 80 percent of the passengers being better served, we requested those studies two or three weeks ago. A follow up memo was sent when we received no response to the first letter.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Murphy asked Mr. Turpen how the minority contracting program was progressing.

Mr. Turpen responded that staff will have final thoughts at the next Commission meeting. He reminded the Commission that this had been the responsibility of Dennis Bouey. The program has been integrated into Business and Finance and tied together with a number of other programs and will be presented as a single package.

Commissioner Murphy assumed that this will be a turnkey operation for qualifying contractors who will receive assistance in accounting, finance, and bonding issues.

Mr. Turpen said that this program was originally started for construction and engineering but has grown to include financial issues.

Commissioner Murphy said that he would be willing to look at any approach but he wants it to be an Airport generated, Airport supervised, Airport operated program. He does not want to rely on State or Federal programs. He would have no objections to supplementing our program, but while well-intentioned, those programs are often slow and political in nature.

Mr. Turpen said that it will be patterned after our noise insulation program. We will provide the safety net and insure that everything is

taken care of. However, if we can avail ourselves of other revenue sources, we will do that.

Commissioner Murphy agreed, with the stipulation that we don't become their captives.

* * *

F. F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item No. 2 was put over to the end of the Consent Calendar.

2. Award of Contract No. 1723R - Firehouse No. 2 - Replacement

Resolution awarding Contract 1723R - Firehouse No. 2 Replacement to Barnes/Lem Joint Venture in the amount of \$3,482,000.00.

Item No. 3 was adopted unanimously.

3. Award of Owner-Controlled Insurance Program (OCIP) Broker Contract

94-0110

94-0111

(1) Resolution awarding contract to joint venture of Johnson & Higgins and Arisco; and, (2) Resolution authorizing staff to create an MBE/WBE surety bonding program.

Mr. John Martin, Deputy Director of Business and Finance said that the Commission approved the establishment of the OCIP in December, 1993. Staff requested proposals from brokerage firms and went through an extensive selection process. Based on that process, staff recommends the selection of Johnson & Higgins and Arisco, a joint venture. Arisco, a certified MBE firm, has work with Johnson & Higgins on OCIP programs in the past. The joint proposal will result in 25 percent MBE/WBE participation in the first phase of the project, increasing to 61 percent in the second phase.

Mr. Martin said that the team is also well qualified to handle the MBE/WBE surety bonding program, having worked on similar programs together in the past. The cost of the program over the five year period is estimated at \$2.1-million. Based on earlier projections, we expect savings of \$28-million by using the OCIP program rather than requiring contractors to independently obtain insurance.

Mr. Martin explained that the first resolution awards the contract to Johnson & Higgins and Arisco. The second resolution authorizes staff to work with that team toward the creation of a surety bonding program. Staff will return on June 21 for formal Commission approval of the surety bond program, with the major aspects of that program outlined in the resolution.

Commissioner Murphy assumed that the fees paid to this joint venture will include their services for the bonding program.

Commissioner Jeanpierre asked if this program would be merged with some Airport effort to insure that all M/WBE issues are addressed.

Mr. Martin responded that the surety bond program will be separate from the OCIP, however, the efforts will be rolled together so that we can take the M/WBE firms through one education training process covering both insurance and surety bonding.

Commissioner Jeanpierre said that he has received a few calls about this process and asked if there was anyone present who wanted to comment on it.

Mr. Martin Striker, Alexander and Alexander, a bidder for this contract, said that his company has significant experience. He felt the process was well run. Alexander and Alexander met all of the criteria in the RPF and his bid was about \$611,011 less than the winning bidder. He said that even though cost was not one of the factors, he asked the Commission to take it into consideration.

Ms. Marcie Shultz, Business Manager for the Building and Construction Trades Council of San Mateo County, asked if there would be a cap on the amount of bonding per contractor.

Mr. Martin responded that a cap has not been established at this time. That will be an issue for Commission policy.

Commissioner Murphy added that this program is envisioned for small contractors. The idea is to help small contractors who have some contracting experience but can't get bonding. Contractors can't bid on Airport jobs if they don't have a bonding capacity. They will be provided consulting services and financial aid so they can graduate from the program and then operate. He added that there will be some restrictions.

Ms. Pansy Waller, HRC Contract Compliance Officer said that Arisco is a registered rather than certified firm, so no preference was given.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 4 through 15 were adopted unanimously.

4. Retirement Resolution for Jim McClenahan

No. 94-0106

5. Retirement Resolution for Ben Judd

No. 94-0107

6. Award of Contract 3263 - Parking Lot D - Water Main Improvements

No. 94-0112 Resolution awarding Contract 3263
Parking Lot D - Water Main Improvements
to A. Ruiz Construction Co. & Assoc.,
Inc., in the amount of \$268,813.20.

7. Contract Modification No. 12 to Legal Services Contract with Hanson, Bridgett, et al.

No. 94-0113 Resolution approving Contract Mod. No.
12 to Legal Services Contract with
Hanson, Bridgett, et al. to increase
compensation by \$460,000.00.

8. Modification No. 3 to Agreement with Towill, Inc. to Extend Contract for Phase IV Land Survey Services

No. 94-0113 Resolution approving one year
extension of contract to complete all
topographical surveys for future
development under the Airport Master
Plan, and increasing the budget to
complete this next phase: \$100,000.

9. Contract Mod. No. 1 to Legal Services Contract with Richard H. Jordan

No. 94-0114 Resolution approving Contract Mod. No.
1 to Legal Services Contract with
Richard H. Jordan to extend term of
contract for one year to June 30, 1995,
and increase compensation by
\$37,000.00.

10. Contract Modification - Kenyon and Edelstein

No. 94-0115 Resolution modifying the contract with
Kenyon and Edelstein to extend the
time and amount of the contract.

11. Host Marriott, Inc. - Rental Credit for Providing Utilities to the Lease Line of the Proposed Pasqua Coffee Bar on Behalf of the Airport

No. 94-0116 Resolution authorizing a rent credit to
Host for providing utilities to lease
to line of the planned Pasqua Coffee
Bar on behalf of the Airport.

Commissioner Brooks asked if there was a way to determine actual costs.

Mr. Martin responded that staff reviews the actual construction costs when the work is completed and then makes the reimbursement based on those costs. Our construction staff reviews the billings of the construction firm to make sure that the costs are appropriate.

12. Bid Call - Contract 1875 - International Terminal Airfield Sign

94-0117

Resolution approving the scope, budget and schedule for Contract 1875, and authorizing the Director of Airports to call for bids when ready.

13. DC-3 Diner - Design Approval

No. 94-0118

14. Travel/Training for FY 1993/94

No. 94-0119

15. Resolution Ratifying Personnel Actions

No. 94-0120

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

Item No. 2 was adopted unanimously.

2. Award of Contract 1723R - Firehouse No. 2 - Replacement

94-0109

Resolution awarding Contract 1723R - Firehouse No. 2 Replacement to Barnes/Lem Joint Venture in the amount of \$3,482,000.00.

Mr. Jim Reuben, attorney for Nibbi/Tom, said that at the last Commission meeting he cited two grounds by which he was protesting award to Barnes/Lem. The first was the fact that the electrical contractor proposed by Barnes/Lem was unlicensed three times. Those
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licenses were either expired, suspended, or were no longer valid. The other argument was that the bid form submitted by Barnes/Lem had numbers that differed significantly from the HRC documents that were submitted the next day.

Mr. Reuben suggested that if Barnes/Lem is awarded the contract the Commission is saying one of four things ... (1) That it is okay to change the bid documents by listing different numbers in the HRC documents. This is in violation of the HRC specifications. (2) That the HRC submittal is not a part of the bid form. HRC disputes this and believes that their documents are part of the bid documents and should be a part of the bid package. (3) That it is okay to issue a contract in an amount different from the bid form. Kent Lem's amount on the bid form was \$328,000, yet the amount on the HRC form was \$215,000. If Kent Lem receives a contract for \$215,000, Barnes/Lem will have effectively flaunted the requirement that a bid form be controlling. (4) That it is okay to ignore the HRC documents. If the contract is issued in an amount different from the HRC documents, they flaunted the HRC requirements.

Mr. Reuben said that the numbers are not supposed to be changed between the bid form and the rest of the bid documents. He commented that this is not a precedent the Airport would want to set for its upcoming \$2.4-billion construction program.

Commissioner Jeanpierre understood that the difference was only about \$26,000.

Mr. Reuben said that he still has not seen or heard of a license for the electrical, which is a substantial scope of the work.

Mr. Reuben noted that a compromise would be to re-bid the job.

Commissioner Mattison said that there was no question that the HRC documents are part of the bid package but the HRC documentation is informational for the purpose of the HRC in utilizing those sets of numbers to determine compliance issues. In this case, regardless of whether they have changed a little or a lot, we are compelled to focus on whether the resulting analysis gave an unrealistic picture and biased the conclusion against the competing bidders. In this case the opposite has happened. The numbers that went on the HRC form would have made it more difficult for the winning bidder to comply. If they were to purposefully or inadvertently record lower numbers on the informational compliance documents they would have done themselves a disservice. We are not awarding the bid on the basis of HRC informational collateral documents. We are following normal procedure.

Mr. Reuben disagreed with Commissioner Mattison. He said that the bid day is hectic, with subcontractors calling or faxing in numbers. The general contractor is responsible for getting those numbers together and submitting them to the Airport Contract Compliance Officer. It is the general contractor's responsibility to make sure that those numbers are accurate.

Mr. Reuben said that HRC was interested in meeting the minimum requirements. It may not be the general contractor's specific goal on

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the day of the bid to make sure that HRC requirements are met. They may be simply trying to get the best number on the document so they can win the bid. Given an extra day they can take a look at those numbers, decide that they are about to award contracts at numbers higher than necessary to minorities, and then put different numbers on the HRC document the next day.

Mr. Reuben said that the general contractor is to live with the number that is placed on the bid form on the day of the bid. HRC would not like to think that a general contractor gets a second look the next day and can lower the numbers if they find that they have substantially gone over the minimum standards.

Commissioner Mattison agreed that enforcement is clearly a burden we bear. If the numbers had gone the other way in an attempt to gain qualification after failing on the bid day then the Airport's job is to make sure it doesn't happen. He asked if this is a matter of degree and if the HRC document should be thrown out if it is off by \$5.00 or \$100.00? Where is the limit if you are talking about an informational compliance document as opposed to the actual bid document upon which the contract will be based?

Mr. Reuben assumed that some day a limit will be found, but a difference of \$113,000 is substantial enough that it is clearly over whatever threshold we decide to make. Also, there is a substantial body of law governing the correction of clerical errors.

Mr. Reuben said that if a contractor finds a clerical error he can petition the awarding authority to have it corrected or their bid withdrawn. Barnes/Lem has done neither. He assumed that they meant to do what they did and write the number \$328,000 on the day of the bid and lowered that number to \$215,000 when they realized that they were about to award a contract to a minority in a substantially higher amount than they needed to to meet the threshold requirements.

Commissioner Mattison asked if it would make a difference if it were considerably less.

Mr. Reuben responded that if it were \$100 or less he would assume that it was just a problem with the scope of the work or possibly a transposition of the numbers. However, that is clearly not the case.

Mr. William McInerney, attorney representing Barnes/Lem said that on the day of the bid E.T. Electric was licensed. The license was suspended one month later due to a judgment which Nibbi has against it. He said that the requirement for a license is for the general contractor, not the subcontractors. Further, the Airport's own requirements indicate that subsequent to the bid the subcontractor's contracts and responsibility, which is a licensing issue, be determined after the award. This is an issue that the Airport would be looking into for each of the subcontractors.

Mr. McInerney explained that the Kent Lem discrepancy was due to the fact that Newmeyer, the mechanical subcontractor, was included in Kent Lem's bid.

Mr. McInerney said that all their bids are rounded into whole thousand dollar numbers because there is no time in the last minutes to put those last dollars and cents down. Also, the general contractor is receiving faxes from the subs who aren't just providing numbers, but exclusions and inclusions as well. The general is trying to sort out what it will cost if it is excluded. That's why there is a discrepancy between the subcontract listing form and the HRC. If there is a discrepancy and it was viewed as material to the issue of responsiveness, the bid can be rejected. This isn't.

Mr. McInerney added that the public contracts code does not require amounts to be stated. The code recognizes that hectic portion of time right up against the bid to try and get all of the exact numbers in place.

Mr. McInerney said that the difference is about \$25,000. The Instructions to Bidders does not render the Barnes/Lem bid non-responsive because of the discrepancy between the two numbers. This was just a rounding figure.

Commissioner Murphy announced that the Airports Commission would go into closed session to discuss this matter.

* * *

J. CLOSED SESSION:

The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(b) to discuss anticipated litigation concerning the bid protest of Nibbi-Tom, A Joint Venture, and the award of Firehouse No. 2 Replacement Contract.

The Airports Commission recessed at 9:40 AM to go into closed session and reconvened at 10:00 AM to continue its discussion on Item No. 2.

* * *

Discussion on Item No. 2 resumed.

Commissioner Murphy asked Mr. McInerney to which form his client will be held.

Mr. McInerney responded that his client will be held to the HRC form.

Commissioner Murphy asked Mr. McInerney what he would do if the Airport held him to the form submitted to the Airport.

Mr. McInerney assumed that his client would have to live with that form.

Ms. Rosales assumed that Mr. McInerney was saying that the HRC form has the numbers for the MBE subcontractors; all subcontractors are on Minutes, June 7, 1994, Page 11

the listing form.

Mr. McInerney responded that the HRC form includes everyone. It is a listing of all contractors and it calls for a specification of the percentage and the MBE/DBEs.

Ms. Rosales said that the numbers assigned to each subcontractor on the HRC form represents the final deal between the general and sub.

Mr. McInerney responded that it is the original deal but it is the opportunity to put down the correct amount.

Mr. Rosales said that it's the bid for the identified subcontracted work.

Mr. McInerney responded that that is correct.

Commissioner Mattison asked if the MBE came out better or worse on the HRC form.

Ms. Rosales responded that HRC can verify this, but on her analysis of four MBEs, two received more money, one remained the same and Mr. Lem dropped about \$25,000.00. Overall, the MBE picture is better. She said that when you look at the listing form there is a dollar figure of approximately \$328,000. When you look at the HRC form and just look at the name Lem, it looks like its \$100,000 less. When you examine the forms carefully, you realize that the original figure in the listing form included another contract for plumbing or mechanical work. When you look to the second list it was separated out. So, this is two contract numbers on one form, combined on a separate form. The difference is \$25,000.00.

Ms. Rosales said that one subcontractor amount went up by \$100,000.00.

Commissioner Mattison said that one of the main complaints was that this was a minipulation to reduce the MBE allocation.

Mr. Turpen said that this was not an MBE issue. The MBE goals were exceeded significantly.

Commissioner Mattison said that the important point is that they were not reduced between the bid form and the HRC form.

Ms. Pansy Waller said that the overall goals were exceeded for M/WBEs. As for the discrepancy in the amounts listed in the bid form and the HRC form, those amounts were exceeded for the listed MBEs, with the exception of Kent Lem.

Commissioner Murphy asked Mr. McInerney if the HRC form served as a modification of their bid.

Mr. McInerney responded that it does not. Both forms are part of the bid package. The bid is what was submitted on that day. They are not asking that the bid be changed. What they are saying is that the prices that were listed on the subcontracting listing form and the correct amounts are set forth in the HRC form. Those subs will still do this work; they have not been substituted out.

Commissioner Murphy asked what would happen if Barnes lists a minority sub on the bid form at \$60,000.00 and then changes the amount to \$72,000.00 on the HRC form and that sub then goes bankrupt. Barnes will have to find a new subcontractor to substitute in as a minority who will do the job for \$60,000.00, not \$72,000.00. He said that Barnes will be stuck with the breakdown on the HRC form.

Commissioner Mattison hoped that this will be the last time we use this duopoly of forms and that the forms are integrated in the future. He said that the concern is that the MBE program be best served and if the HRC form is the one that best serves it, our bottom line is still our bottom line and our minority participation is maximized by using HRC forms, then so be it.

Commissioner Mattison said that the issue of licensing is a factual issue. Was this contractor required to be licensed on the day of the bid and, if so, was the firm licensed. His understanding is that E.T. Electric was licensed on the bid opening day.

Commissioner Brooks asked if Barnes was low bidder on both forms.

Mr. McInerney responded that their number does not change.

Mr. Reuben noted that the license that was active on bid day was not the license listed on the form. He believed that this was another modification of the bid form. The specifications and the laws are very clear that the forms submitted on bid day can't be modified.

Mr. Reuben said that the issue is altering the numbers between the bid form and the HRC form; the issue is not MBE goals. Those goals have been met by both contractors. If the sub gets anything other than what was submitted on bid day then Barnes/Lem has violated the public contract law.

Commissioner Mattison noted that 15 or 20 minutes ago Mr. Reuben made a strong assertion that the purpose of the modification from one form to the other was an attempt to subvert MBE/WBE compliance. Now he has backed off by saying this is just a philosophical contract purist issue in which compliance has to be exact, with no possibility for interpretation.

Mr. Reuben said that he was not suggesting that he knew what the intent was, but if the Commission awards the contract to Barnes/Lem it could be an invitation to adjust minority contractors contracts after the date of the bid.

Mr. Reuben added that as subcontractors amounts get lowered, the general contractor's profits increases. That is why the law says that the bid form cannot be modified.

Commissioner Mattison responded that Mr. McInerney indicated a willingness to go with the Airport's form. The real issue from the Commission's standpoint was maximizing MBE participation.

Mr. McInerney added that the instructions say that the form itself cannot be modified. Everyone had crossouts and initials, including Nibbi.

Commissioner Murphy noted that those corrections were made before the forms were handed in.

Mr. McInerney said that his client will live with whatever the Airport says.

Mr. Turpen recommended making the award.

* * *

H. NEW BUSINESS:

Mr. Darryl Bishop, Let's Get Busy, said that he was speaking on behalf of the Bayview Hunter's Point community. He said that unemployment is very high in that area and the success rate of getting Airport contracts is low. Bayview contractors have wanted to participate in Airport contracts for many years. They can't get contracts because they can't get bonding. He asked if the Commission was aware that Bayview contractors cannot participate for those reasons. He also asked if he could get something in writing from the Commission to help them succeed on some of the upcoming contracts.

Commissioner Murphy reminded Mr. Bishop that when he last appeared before the Commission a year ago he extended an invitation to Mr. Bishop to meet with Airport staff. That invitation remains open.

Mr. Bishop said that he has tried to contact staff to help him with these issues and he never received any feedback.

Mr. Turpen asked Mr. Bishop to call him directly. He suggested to Mr. Bishop that he meet with Ms. Crumpler, Mr. Nardoza and Mr. Martin right after the meeting. He mentioned that Mr. Bishop was not in the room earlier when the Commission talked about the bonding program.

Mr. Bishop said that he heard about the bonding program but it isn't helping him right now because it's not in place.

Commissioner Mattison said that Commissioner Murphy has raised this issue every meeting for the past four months. Finally, after a lot of work by staff, we are one meeting away from having the package put together to help small contractors with insurance, accounting and a bonding program, all administered by the Airport.

Mr. Bishop said he would like to be at that meeting.

Commissioner Murphy echoed Mr. Turpen's suggestion to meet with Ms. Crumpler, Mr. Nardoza and Mr. Martin.

Mr. Willie Ratcliff, President, African American Contractors Association said that he would like to thank the Commission and staff for its foresight in establishing this bonding program for MBEs. He hoped that the African American contractors will be able to participate more in Airport contracts.

Mr. Ratcliff hoped that things turn around in San Francisco regarding the employment rate and primes. One of the problems that even the most

successful African American contractors have is trying to get agencies and Commissions to go race-specific on progress reports. In order for them to do something about the problem they would like to see race-specific information on contracting and trades.

Mr. Ratcliff said that the bonding program does not meet the needs of larger contractors. He has been in the business 27 years and the whole area has been red-lined for insurance and bonding. He said that the \$500,000.00 bonding program the Airport is working on won't help many people. They need a pre-qualification program with an established bonding limit. That type of program has been used in Baltimore, Maryland. They have a revolving loan fund. A contractor submits a financial statement and the track record is examined. A bonding amount is assigned based on that information. He did not believe that a \$500,000.00 program would be of much benefit to some people.

Commissioner Murphy said that the Commission's objective is to open the door. He suggested that Mr. Ratcliff contact Mr. Turpen and staff. He wants this program to work.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

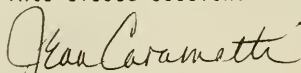
The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(a) to discuss the following existing litigation entitled: (1) CCSF v CCAG; (2) San Francisco Airport Police Officers Association v Bunch and CCSF; and, (3) Guo v Airports Commission; and, Government Code Section 54957 to discuss personnel matters.

The Commission voted not to disclose the nature the closed session discussions.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:30 AM to go into closed session.



Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

June 21, 1994

FRANK M. JORDAN, MAYOR

COMMISSIONERS

PATRICK A. MURPHY
President

J. STANLEY MATTISON
Vice President

L. ANDREW JEANPIERRE

MARIE K. BROOKS

MICHAEL S. STRUNSKY

LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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of the Minutes
Airports Commission

June 21, 1994

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Minutes
of the
Airports Commission Meeting

June 21, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Patrick A. Murphy, President
J. Stanley Mattison, Vice President
L. Andrew Jeanpierre
Marie K. Brooks
Michael S. Strunsky

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 7, 1994 were adopted by order of the Commission President.

No. 94-0137

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 94-0122 regarding the settlement of a claim entitled Guo v CCSF at the closed session of June 7, 1994.

* * *

E. DIRECTOR'S REPORTS:

1. Report on Capp Street Project Proposal

Report on Capp Street Project Proposal
for the temporary display of art work
at the Airport.

Mr. Lou Turpen, Airport Director said that his recommendation is contained in the Director's Report and he would be pleased to carry out the Commission's decision in this matter. If the Commission elects to permit the display, he recommended establishing some very tight parameters around the Commission's acceptance. People have historically viewed the Airport as a repository for all types of activities. The rule of thumb has been that if it is something that would benefit the Airport, we would accomodate it. We are approached repeatedly and we typically do not do these things just to be doing a favor.

Mr. Turpen said that if the Commission would like to test the waters, we can support the installation.

Commissioner Mattison said that the recommendation caught him by surprise. He said that the activity leading up to this appeared to indicate that we were on track. The notion has been that this would work in this interim period of the early stages of implementing the Master Plan, when we have all but suspended active commissioning of new permanent work. We are going through the early stages of a very aggressive art support program that will be commissioned and installed during the Master Plan program. This interim period appeared to be a unique opportunity to continue our support for the art community in projects such as the Capp Street proposal.

Commissioner Mattison said that this project is fully funded. As the Airports Commission's representative on the Joint Art Airport Steering Committee, he is a fan of the process and of the Airport's very strong support for the art community. He believed that the policies that are in place are proper policies and deserve our continued support, both in the Exhibition Program and in the permanent art collection.

Commissioner Mattison said that in this interim time frame leading up to the Master Plan, we can have temporary exhibitions without any financial exposure. He said that a unique site was found that wasn't scheduled for any other purpose in the next two or three years, the installation feasibility was checked with Airport staff, and, it is the judgment of someone in the art community that this piece has some merit. He had requested that before this came before the Commission for approval, that the Art Commission give an opinion on it, which they have done.

Commissioner Mattison said that to propose that the piece be rejected after having done all of this surprised him. He thought that the Commission would be presented with a resolution that would consider temporary works during this interim period if they met four or five very specific exception criteria. The criteria would be primarily oriented toward funding, appropriateness, temporary nature, all to be suspended and superceded back by the main permanent program when the Master Plan gets rolling.

Commissioner Mattison urged the Commission to support the Capp Street proposal as researched and developed to this point and asked staff to present criteria that could be applied specifically to exceptions of this kind during this period of time.

Mr. Turpen said that in being petitioned routinely on a whole range of exceptions, one of the governing rules that he uses is to decide if it is something that is of benefit to the Airport, or are we doing someone a favor.

Mr. Turpen said that the permanent art collection is a function of the development program and we will have a significant involvement in that when we go to the Master Plan. We have had a significant involvement in the permanent art collection in place at the Airport as we built Airport facilities. Aside from that, in 1979 the Commission elected to have a Temporary Exhibition Program, very competently directed by Elsa Cameron and her Airport staff. This piece falls outside of either one of those categories.

Mr. Turpen said that his concern is that we might be putting ourselves in a difficult position with respect to other requests. Furthermore, the precedent of setting an art program in between construction programs was not a very compelling concept.

Mr. Turpen said that his concern is that when these things come it's fine, but when it's time for them to go, they never want to go. It becomes part of the Airport. The Bay Area Sports Hall of Fame was supposed to be installed for six months about nine years ago. They couldn't find a home outside of the United Airlines area.

Mr. Turpen said that he was not invested emotionally in this, but from a practical standpoint he did not want to be cast into a position of having to redirect our attentions to requests like this which aren't part of the mainstream of what we are doing. He said that he was happy to come back and support this and develop the criteria, but he wanted the Commission to understand that his concerns are of a broader nature and don't speak to this specific item as much as they speak to the activity of making the exception.

Commissioner Brooks asked how much time and energy staff puts into this kind of request.

Mr. Turpen responded that we don't because we typically don't make exceptions. If the request fits with our overall goal and thrust, then we want to do it. If it is totally outside of that realm, then we candidly tell people that it is not part of what we see as our business statement.

Commissioner Murphy said that this is a very responsible organization. They aren't going to install something and leave it there. He said that Capp Street did an exhibit some years ago involving installations on the Bay and the Palace of Fine Arts. They were very interesting artistic pieces. They were there for a period of time and then were professionally removed. He was less persuaded by the argument that this might open the flood gates to other things as he does not believe that there are many organizations like Capp Street. If it does, so be it. Staff is very good at coming up with parameters to protect the integrity of Airport operations. He wanted to give this one a try.

Commissioner Mattison asked that this be brought back to the Commission for approval.

Mr. Turpen said that consistent with his responsibility, he has given the Commission his recommendation. He will be happy to calendar this item for Commission approval at the next meeting.

Commissioner Jeanpierre asked if we were talking about a policy change or an exception to policy.

Commissioner Murphy said that we are talking about doing something we haven't done before and wondering whether we are opening the flood gates to crack pot artists.

Mr. Turpen said that his only concern is the basic question of whether this is consistent with where we are going. Is it important to direct our resources in the face of all the other things we are trying to do? Typically the answer has been no, unless we can fit it into our overall mission statement.

Mr. Turpen said that he understood the sense of the Commission and will return with a resolution that is appropriately crafted and contains the appropriate criteria.

Commissioner Mattison said that we are dealing with a simple question of temporary art in a period of time in which not much else is going on in the permanent art program.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Murphy asked about the hearing procedures.

Ms. Mara Rosales, Airports General Counsel responded that she was waiting for his input on the procedures that she sent to him.

Commissioner Murphy responded that it must have dropped through the cracks and asked that she send them to him again.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were adopted unanimously.

2. MBE/WBE Surety Bonding Program

No. 94-0138

Resolution approving parameters of
MBE/WBE Surety Bonding Program.

Mr. John Martin, Deputy Director, Business and Finance explained that this resolution formally establishes an M/W/SBE surety bonding program. The goal of the program will be to significantly broaden the level of M/WBE participation in the Airport's \$2.4-billion Master Plan Program.

Mr. Martin said that the program will provide formal training and personal assistance for participating firms. It will assist firms in accessing the competitive surety bond marketplace. He believes that the program will provide contractors with skills that they can use and the access to obtain contracts at the Airport as well as with other public agencies.

Mr. Martin said that the unique aspect of this program is the safety net under which the Airport will provide credit enhancement to firms that go through the training but are still not able to obtain a surety bond. Assuming any pre-determined criteria established by the Airport, we will provide credit enhancement to assist the firms in either obtaining a surety bond or in obtaining bank financing.

Commissioner Jeanpierre asked Mr. Martin to explain credit enhancement.

Mr. Martin explained that he is using the term "credit enhancement" in a broad sense because it could take several forms. Collateral could be put up or matched on a dollar for dollar basis with a surety bonding company. We could also use a letter of credit for our protection and still, in effect, put up the dollar for dollar. He explained that if a contractor failed to perform and the surety bonding companies had to pay the Airport, in effect we would say that they would only have to effectively absorb half of the capital loss and the Airport would absorb the other half.

Commissioner Mattison asked if any recommendations were being made about the size of the credit enhancement pool that might be available, or limits, or types of job scopes that might be involved.

Mr. Martin responded that we are planning to develop a fund to use for credit enhancement and return to the Commission at the next meeting to request approval of funding.

Commissioner Brooks asked if the Commission would also have a look at the credit criteria.

Mr. Martin responded that staff will return to the Commission over the next six months as details are established. Staff and the brokerage firms will meet with the MBE/WBE Chambers of Commerce during the month of July to get their input on the program and review the status of the program as it is now. That will be reflected in later recommendations. Under the program, the schedule calls for training of the contractors to begin in October and conclude in December. That would allow firms to take advantage of the first seven major construction contracts that are scheduled for award in January.

Commissioner Mattison asked if the Airport will get the word out about the existence of the program.

Mr. Martin responded that Sandra Crumpler, the Airports Outreach Officer will coordinate with various Bay Area organizations and directly with contractors to make sure firms and organizations are aware of our program. We also plan to print brochures.

Mr. Turpen added that we have one of the largest mailing lists, if not the most complete mailing list, in City government with respect to various organizations and individual firms.

Commissioner Murphy said that we had a prior program in February and assumed that an appropriate approach would be to go out to the community and have a presentation or educational program on what we are making available.

Commissioner Murphy said that as he understands it, the Airport will be creating a program where people who want to develop a construction business, or who have experience and want to bid on Airport jobs but don't have bonding capacity, training or an accounting background, would be free to sign up for and participate in this program, bid on certain jobs and then be assisted in obtaining surety bonding. Their insurance would then be covered as part of the owner-controlled plan. They would be assisted in finding bank financing. If necessary, credit enhancements would be available if they can't qualify any other way.

Mr. Martin said that an accounting firm is part of the program. They will assist participants to make sure that their bookkeeping is adequate, an auditing firm will help them to complete bank loan documents, and, to assist them to the level that is needed, our team will meet with the bank.

Commissioner Jeanpierre said that this will be an incubation program where there will be contractual assistance, assistance in accounting, credit enhancement and assistance in obtaining and retaining bonding, not only for Airport contracts, but for other contracts as well.

Mr. Martin said that what is unique about this program is that the skills and the access the firms will develop will be carried over to obtaining contracts with other public agencies.

Commissioner Strunsky expressed his support for the program and said that his own background might be helpful. He asked if bonding requires credit enhancement, will the beneficiary of the bonds be the Airport, or might they be the general contractors working for the Airport. He said that the risk benefit nature to the Airport, if the beneficiary of the surety is the general contractor or even another subcontractor, versus the risk benefit if the Airport itself is the beneficiary of the surety, is different.

Commissioner Murphy said that he thought it was important that the program be flexible enough to permit joint venturing and arrangements where people can develop skills. There must be enough flexibility that people can develop their business and their skills while working on these contracts.

Mr. Martin said that the Airport will assist in making them aware of the benefits of joint venturing.

Commissioner Brooks noted that we will be a training source and a resource. The resource phase is important to many people, no matter how long they have been in business.

Commissioner Murphy commended the staff on their efforts in moving this program through the last and most difficult phase.

Commissioner Murphy hoped that staff will take Commissioner Strunsky's offer to take a look at it from his unique perspective as a contractor and see what he thinks will work and what will not work.

3. Modification No. 2 of United's Lease No. 73-0066

94-0139

Resolution approving Mod. No. 2 to United's Lease No. 73-0066 for Maintenance Operation Center (MOC) property in which United Air Lines, Inc. relinquishes to Airport 5.34± acres of MOC property for construction of multi-level parking structure and .21 acres ± for the widening of the North Access Road, incorporates Plot 52, consisting of 7.17 acres ±, into the MOC Lease and approves the Parking Facilities Agreement between the Airport and United as part of the Lease Modification.

Mr. Turpen said that this is a property exchange in support of the Master Plan.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 4 through 7 and 9 through 14 were adopted unanimously. Item no. 8 was removed from the calendar and adopted unanimously.

4. Retirement Resolution for John Mack

No. 94-0140

5. Retirement Resolution for Peter Molinelli

No. 94-0141

6. Modification of Professional Service Contract - Kennedy/Jenks Consultants

No. 94-0142

7. Mod. to Contract with Chang Communications to Provide Multi-media Presentation Materials in Support of the Airport Master Plan

No. 94-0143

This calendar item modifies an existing contract with Chang Communications to increase the contract amount by \$100,000.00.

Item no. 8 was removed from the Consent Calendar and adopted unanimously.

8. Award of Contract 3368 - Plot 52 Wastewater Treatment Plant Demolition

No. 94-0144

Resolution awarding Contract No. 3368 to Evans Brother, Inc.

Mr. Jack Hesotian, Iconco, Inc. said that his company was the low bidder on this contract. His company was \$142,000.00 lower than the Evans bid. He explained that one of the major reasons his company was cheaper was because of the two bid alternates for the removal and disposal of contaminated soil. He said that Evans Brothers price for that alternate was \$138,000; Iconco's price for the two alternates was \$65,000.

Mr. Hesotian explained that Evans used a minority firm on that item. Iconco received the same bid from that contractor and did not use them because they thought the price was excessive. Their bid was rejected because of lack of participation on the project. He felt a small price increase to use minority contractors was well warranted, but when the price is over 100% more, the cost to the taxpayers must be considered.

Mr. Hesotian requested denying the award to Evans Brothers.

Commissioner Mattison asked why Evans does not have an HRC bid preference.

Mr. Jackson Wong, Deputy Director for Facilities Operations and Maintenance responded that Evans is not an MBE by definition. HRC's evaluation shows that the first two bidders did not have the percentage required in the contract.

Commissioner Jeanpierre assumed that he did not meet the MBE requirement of 27% for MBE and 3% for WBE.

Ms. Rosales added that the MBE ordinance provides a procedure for a contractor to petition to lower the goals if the contractor believes that the subcontractor goals are unreasonably high or if the price of a minority subcontractor is unreasonably high. That is done at the time the bid is submitted. She said that she did not believe that that procedure was pursued by this particular contractor.

Mr. Wong said that no protest was submitted.

Commissioner Brooks said that she had a problem with spending 30% more on this contract just because the good faith documentation was not acceptable. She asked why the \$387,000 bid was rejected.

Mr. Wong responded that that bid was rejected because they had no MBE/WBE participation.

Commissioner Strunsky thought this firm was an MBE/WBE.

Mr. Wong said that they were, but MBE/WBE firms also have the requirement to make the effort to meet subcontractor goals.

Commissioner Strunsky felt that we were punishing an MBE.

Ms. Rosales said that there are several requirements, one being that if you are a qualified M/W/LBE, you are entitled to bid preferences. If you are a prime contractor, there are additional subcontracting requirements for construction contracts for minority subcontractors that are placed on the job case by case. There are procedures in place that allow a minority prime, like the second bidder, to ask for a waiver of the subcontracting goals and allow his/her own participation to count towards the subcontracting goals. There are procedures in place for challenging the goals for the first bidder as well.

Ms. Rosales said that the first and second bidders did not satisfy the subcontracting requirement and did not avail themselves of the avenues to seek relief.

Commissioner Mattison thought we might be stumbling over procedure.

Mr. Turpen said that this is an HRC issue.

Commissioner Mattison said that an MBE prime contractor failed to meet the subcontracting MBE goals and we aren't even allowing them credit for their own status because they didn't fill out the form. This is a procedural catch 22.

Ms. Pansy Waller, HRC Contract Compliance Officer said that the apparent low bidder and the second bidder did not meet the goals. The subcontracting goals are separate goals.

Commissioner Murphy said that the purpose is to give opportunities to small, minority contractors so they can participate.

Commissioner Brooks asked if the percentage was 27% of the dollar amount.

Ms. Waller responded that it is.

Commissioner Mattison asked if the second bidder had gone through the procedure and had been allowed to count their own involvement in the project toward the goals, would they have passed the 27%.

Ms. Waller responded that it's not evaluated that way, explaining that subcontracting goals are separate. The contractor understands this

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when the specs are reviewed. If the contractor cannot meet the goals, good faith documentation should be submitted explaining why.

Commissioner Murphy said that the policy is to have a certain percentage of minority subcontractors. The unsuccessful bidders failed to meet the percentage. He said that he does not have any problem with the HRC objectives.

Ms. Waller explained that the procedure is to review the apparent low bidder first. If that bidder fails to meet the goals, HRC looks at the second bidder. If the second bidder does not meet the goals, HRC reviews the third bidder, making sure that that bid is still within the engineer's estimate. In this particular case, it was.

Mr. Turpen said that the Commission does not act on any bid that is not authorized by the HRC. In this case, HRC did not certify the first and second bidders. The Commission can either award to the third bidder or reject all bids.

Commissioner Strunsky asked Mr. Hesotian if he felt they had made a good faith effort.

Mr. Hesotian responded that Iconco advertised in the Daily Pacific Builder and sent out certified letters to several minority firms. While Iconco did not meet every point of the criteria, they did try to solicit. They received a last minute bid for soil contamination from the same firm Evans will use. That bid was over 100% higher than what Iconco can do it for themselves, so they did not use the bid. He said that he was not aware that they could have requested a waiver at the time of the bid or they would have done so. Iconco did accomplish 60% or 70% of the good faith requirement.

Commissioner Jeanpierre said that sometimes in trying to achieve the greater good there are problems that go unaddressed. The Board of Supervisors will have to change the rules so that situations like this can be precluded from happening again. He said that it is one of those things that happens periodically as a result of the rules.

Commissioner Mattison said that the goals have been met by the recommended prime. If we must pay a higher price, so be it.

Mr. Turpen said it is unfortunate that the contractors failed to use the recourse provided for in the ordinance for companies who cannot reach the goal.

Commissioner Brooks asked how a company learns about the waiver.

Ms. Rosales responded that it is in the ordinance but she was not sure if it is in the bid specs. The ordinance, however, is referred to in the bid specs.

Commissioner Strunsky said that in the process of bidding you don't necessarily research this issue.

Mr. Turpen asked if it is in the bid specs.

Ms. Waller responded that it is not in the bid specs. The ordinance is referred to in the specs and anyone can request a copy of the ordinance.

Commissioner Brooks asked if it could be placed in future bid specs.

Ms. Waller responded that that is something Airport staff could do.

Mr. Turpen said that a procedure could be worked out so that bidders will understand what their rights are.

Commissioner Murphy said that he was satisfied that this was not a situation in which a contractor failed to play by the rules. The policy and the ordinance is there for a reason.

Commissioner Strunsky felt that since this information was not in the bid specs, this contract should be re-bid.

Commissioner Murphy asked for a staff opinion.

Mr. Wong said that this demolition is part of the Master Plan and will clear a site for the North Field area.

Mr. John Martin, Deputy Director for Business and Finance added that this is a part of the United lease area.

Mr. Turpen added that it is part of the swap with United.

Commissioner Murphy supported moving ahead with the award.

Mr. Turpen said that there are six pages of the ordinance that are appropriate to this subject. We will take a look at either including those six pages in our bid documents, or, we will cover the appropriate elements of the ordinance in our pre-bid conference so that everyone understands.

Commissioner Strunsky said that we have a \$140,000 problem on a \$369,000 job. If we were sitting here under these same circumstances with a \$50-million job and a \$15-million problem, we would be a lot more uncomfortable. He said that he was not sure what is right. If it is right to re-bid a \$15-million project based on the fact that the ordinance was not in the bid specs, where is the cut off to determine whether to re-bid or not?

Ms. Crumpler said that the bid documents list a telephone number to request a copy of the ordinance. When first adopted, the ordinance appeared in all of our documents. She said that she has asked HRC to have copies available at pre-bids for contractors to review. She thought that there was some language in the HRC forms that speaks to the procedures for asking for waivers and hearings. The documents will be reviewed to insure that that language is included. She had assumed that the language was included.

Ms. Waller said that the procedure is clearly spelled out. If the goals are felt to be too high, the bidder has 10 days in which to file a written protest to the Director of HRC.

Commissioner Mattison said that this is an unusual situation. In order to meet the goal and go after a sub who can handle that particular piece, there is a bid price tag attached to it. He said that he could support it, particularly since it is a critical path project. He did not believe that this would set a precedent for much larger projects as they have so many more moving parts and such a broader field of bid.

Commissioner Strunsky asked if there were a group of subcontractors or were there only one or two subs. He said that this is a demolition job and he knows that both Evans and Iconco are demolition contractors and they do most of the demolition work themselves.

Ms. Waller said that Dick Norton reviewed this particular contract and she would have to get the pre-award analysis.

Commissioner Mattison said that the number one criteria of meeting the MBE goal has been met and the recommended bid is still within our original budget. Spending more money in a bid process than you feel you should is always an issue, but in balancing the goals, especially since this is a critical path project, we are advised to move ahead.

Commissioner Strunsky said that on the other hand we are depriving an M/WBE contractor of his legitimate right to have this job.

Commissioner Murphy responded that under the bidding procedures they do not have a legitimate right to have the job. We would be cutting out an MBE sub who will get 27% of the job.

Commissioner Mattison said that the MBE sub gets the job, but the prime who did not comply, will not.

Commissioner Brooks felt that it was not quite fair to the Airport to pay more for the job in order to get that 27%. However, there is an issue of time that requires us to use this as a learning experience.

Commissioner Strunsky said that he could go along with this as long as it is very clear that we are not creating a precedent. The specs have to be improved so that a contractor does not have to go to a law library in order to know that the process can be protested.

Commissioner Jeanpierre said that future bidders should be familiar with the rules to insure compliance. They can't bid in a manner that is contrary to the ordinance and then want to change things at the last minute.

Mr. Turpen said that the procedures will be revisited and staff will return to the Commission with the appropriate information.

9. Award of Contract 3059A - North Terminal Holding Area - Fire Protection System Improvements

No. 94-0145

Resolution awarding Contract 3059A to Lem Construction, Inc. in the amount of \$514,296.00.

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Commissioner Brooks asked if these new regulations were helpful in saving lives or were they just additional bureaucratic paperwork.

Mr. Wong responded that he would have to check to see exactly what the work included.

10. Bid Call - Contract 3312B - B.O.A. Gate - Storage Yard Improvement

No. 94-0146

Resolution approving the scope, budget and schedule and authorize Director to call for bids when ready.

11. Authorization to Receive Bids - North Terminal Hub Principal Concession Lease

No. 94-0147

12. Authorization to Receive Bids - Concession Agreement to Provide Limousine Service

No. 94-0148

Mr. Gary Baca, Associated Limousines said that they are concerned about the reduction in the number of required vehicles. His company currently operates a fleet of 36 limousines. Twenty to twenty-five of those vehicles are available at the Airport 16-20 hours a day. Even with that allocated number, they frequently run out of vehicles.

Mr. Baca said that they were concerned about the next bid as well as the traveling public, who is accustomed to a fast response time. While he understands that this will allow more people to participate in the bidding process, he feels that the Commission should also take the traveling public into consideration.

Mr. Baca asked that the 25 vehicle minimum be reinstated, as opposed to lowering it to 10.

Ms. Marie Davis, Airport Meridian Limousine said that her company has been operating luxury limousine service in the San Francisco area for the past seven years. She said that the idea to raise the number to 15 and 25 was recent.

Ms. Davis said that the 10 vehicle requirement has been in place for the last six years. She believes that it should be kept at 10 vehicles. A 1992 PUC study shows that only 1% of the limousine operators in California own over 10 limousines. Raising the required number of limousines will reduce the number of eligible companies to to only 1%. Under 10 limousines would increase the range from 5% to 7%. Most operators are small and have only one or two limousines.

Ms. Davis said that having more limousines at the Airport than needed creates solicitation problems. The PUC report also states that a company having more than 10 limousines loses \$18,000 per year.

Ms. Davis said that Associated Limousine's own loop fee projects four limousines per hour, with an average of 45,000 vehicles going through in a year.

Ms. Davis felt that raising the standards would create a monopoly.

Commissioner Brooks said that the number 10 is a minimum not a maximum.

Commissioner Murphy asked if it was true that we required 10 for some time and recently went to 25.

Mr. Martin responded that 20 is the minimum. Lowering the minimum to 10, with the Director having the discretion to require more limousines in operation.

13. Authorization to Receive Bids:
North Terminal Newsstand Lease

No. 94-0149

14. Travel/Training for FY 1994/95

No. 94-0150

* * *

I. PUBLIC HEARING:

The public hearing was convened at 9:57 AM and closed at 9:58 AM, there being no requests from the public to speak.

15. Hearing on FY 1994/95 Rates and Charges

Hearing concerning the proposed
Terminal Rental Rates, Landing Fees,
Jet Bridge Use Fees, In-transit Lounge
Fee, and Sewage/Wastewater Treatment
Fees for FY 1994/95.

The public hearing was convened at 9:58 AM and closed at 9:59 AM, there being no requests from the public to speak.

16. Proposed Amendment to Airport Rules and Regulations

Hearing on proposed amendments to
Airport Rules and Regulations
clarifying language in the Trip
Reduction Rule, Section 1.11.0 -
1.11.9.33 to be consistent with the
Bay Area Air Quality Management
District's (BAAQMD) Trip Reduction
Requirements. This has already been
approved by BAAQMD.

* * *

J. NEW BUSINESS:

The following is a verbatim transcript of the discussion.

COMMISSIONER MURPHY: A large number of people have given us slips who would like to speak on Item I; I think they mean J, New Business. We will start hearing from some of those people. Mr. Murray.

SAM MURRAY: My name is Sam Murray. I'm President of the New Bayview Committee. I am also an environmental Commissioner. And what I'm here for today is one, to request the Airport Commission come to Bayview Hunters Point. It is not a historical event that has happened years ago when Commissions used to come to the Community. The Human Rights Commission has come to the Community. I have sent several letters requesting that.

The other problem that exists is the fact that the hour that this meeting is does not really allow the public the opportunity to participate as much as they would like to when you look at that starts around 9:00. People work. You have, as you see in the back of the room, you have contractors that are actually taking off today to be involved in this process.

I think it's important that, especially after listening to the debate earlier today over MBEs and WBEs program's, it is certainly important when you talk about getting that collaborative effort that it is important that you create a collaborative effort to start it from the table. And creating that collaborative from the Commission by going out creates that environmental perspective through people that do go through the bidding process of getting jobs and survival and the opportunity of knowing. And the Bayview Hunters Point area has not received the opportunities that the other communities of San Francisco, and even how we have handled taking care of San Mateo County compared to Bayview Hunters Point, which is probably the closest neighborhood to the Airport from the City of San Francisco.

So understanding that, I think it is very important ... we're not coming here today, because I read in the newspaper that I had been invited to come out and I must admit ... and I'd like to thank Jeanpierre publicly for asking me to come here, too ... but I think that I have never received a letter asking for the President of the New Bayview Committee to come to this Commission with what the Community's feeling are. We are the umbrella organization. But I do think that it is important that we do hear the
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wishes of the citizens of San Francisco, that we do come out to the Community, that we find out why the Community feels the way that they do.

And someone told me earlier today that there was a concern, and I don't know how true this is, that the Commissioners were concerned about their safety in the Bayview Hunters Point, when in reality the crime rate is higher here. So, understanding that, you're actually, in reality your car is much safer in Bayview Hunters Point and your life is much safer in Bayview Hunters Point than it is actually here in City Hall. And those statistical figures certainly have been proven. They are not my figures; that's what the City puts out. So, understanding that I think it's important that you are much safer in Bayview Hunters Point.

We do have a beautiful facility room, which you help pay taxes for, which could facilitate that. And certainly I'm here to say that you could actually have a New Bayview Committee night to hold your Commission meeting as it comes to the Community.

What the Community is saying is that they are asking their Commissioners, their brothers and sisters to come out to the Community and hear what they have to say, hear what their complaints are. I don't think it creates a major problem to understand what peoples needs are. Yes, it might create, because you do schedule having this meeting in the day time and you've got your businesses or whatever you do for a living, geared around this. But even myself as a Commissioner, I tend to have to change those things and that is what happens when we become Commissioners, we have to change a lot of our hours and how we do things. Not because we want to but because we volunteer to take these jobs and sometimes we become uncomfortable, knowing John like I do, I'm sure he would like to be out soliciting some more business for his business. And the same thing for me ... I'd like to be, today, out soliciting more business for Sam and his family. But, I think sometimes we give those things up to the betterment of San Francisco. That is what the Bayview is asking for today ... for you to give up some of those things for the betterment of the City and County of San Francisco. Thank you.

COMMISSIONER MURPHY: Espanola Jackson.

ESPANOLA JACKSON: Good morning. My name is Espanola Jackson and I do live in Bayview Hunters Point. I've been living there over 48 years.

One of the concerns that I'm here this morning about is the fact there was an article in the paper saying that we had been invited to come to this Commission. There was a letter that was sent by Supervisor Angela Alioto and in that letter to the Airport Commission it stated the two persons that you would contact if you could change your time and come to Bayview Hunters Point. And in this letter it states, I believe it was back in February, that we were requesting you to come to Bayview Hunters Point. On the letter also it gives the phone numbers of Mr. Sam Murray, who is the Chairman of the New Bayview Committee and it gave my phone number, which I am the President of District 7 Democratic Club and also a member of the New Bayview Committee and involved in other activities in my Community and the City as a whole.

One of the things that we wanted to discuss with you ... we have a lot of contractors in our Community. We have business persons in our Community, we have laborers in our Community. Bayview Hunters Point is the highest of unemployment ... 70 percent in the ... in the entire City. And because of the fact at the Airport there are times when I'm talking on the telephone or watching my soap opera, you have the airplanes coming over ... you can't hear anything. So we know that you have gone to other areas to talk about noise abatement. We want to hear what you would do for us in Bayview Hunters Point about the noise abatement.

I fly out at the Airport. There's a lot of people from Bayview Hunters Point who fly and we are homeowners also in Bayview Hunters Point. We are all not just on the streets, and like I heard you might be afraid to come.

I can say in the 60's the Airport Commission did come to Bayview Hunters Point for a meeting. And the way the resolution that read that the Board of Supervisors passed some time ago was that all Commissioners meet in other areas than where they are meeting now. Pretty soon you're not going to be able to meet here anyway. You have to meet someplace else because of the earthquake structure. We would like for you to come to Bayview Hunters Point. We are not criminals. We don't be shooting at people. You will have the best protection, as Mr. Murray said, in Bayview Hunters Point. We have a lot of parking area in Bayview Hunters Point. We have one of the most beautiful facilities in Bayview Hunters Point. So will you please come?

We would like you to come at your next meeting. That is one of the questions we wanted to ask ... that you come and meet with the people, talk with the people at Bayview Hunters Point. It could be like an informal townhouse meeting. This is what we would like to see. Because with all of the contracts that you are talking about letting, we want to see some of those contracts coming from Bayview Hunters Point. Thank you, very much.

COMMISSIONER MURPHY: Harold Brooks.

HAROLD BROOKS: My name is Harold B. Brooks, Jr. and I'm a resident of Bayview Hunters Point and have been since Uncle Sam put me out of the Navy in 1954.

What I would like to mention is that with the Airport expansion, and you as representatives of those taxpaying citizens and residents of San Francisco have an opportunity and a window to show that you can allow those who have not been permitted to pass through and participate in what is happening at the Airport with that expansion.

It seems to me that you can take and cut up that pie for that expansion so that it reaches our untrained, so that it reaches our contractors, so that it reaches our vendors who may be attempting to have a business within the Airport and that we can turn many things around. If you remember, there was a time in the 1950s out at the Airport where the majority of our Afro-American workers out there, and we had quite a number. I was one of them. But they were people who were walking around with degrees and couldn't do anything but push a broom out there. That has all changed. What I would

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say to you is that I believe that this provides you with an opportunity to say to the citizens of the City and County of San Francisco we understand the economic problems that we are faced with. We understand that the City has a big deficit budget and one way to change that is when those persons who may be sleeping out in the front have an opportunity to work. Those young people that we have overlooked have an opportunity to work and that we can use this expansion program to train them properly and you know that we have a community that will help it. We did that during the time that we were supposed to build the India Basin Industrial Park. We worked with the City in the development of the New Bayview Hunters Point Hill and we have positively shown that when the City responds to our needs, that we respond to their needs. And we are here to be a part of the City and not to be a vanishing group of people in the City and County of San Francisco. Thank you, gentlemen.

COMMISSIONER MURPHY: Ralph House.

RALPH HOUSE: Good morning, Commissioners. My name is Ralph House and I'm President of the Bay Hill Neighborhood Association. And our neighborhood is one that is severely impacted by the takeoff noise of the large aircraft.

I briefly served four years on the Board of Permit Appeals as a Commissioner so I won't repeat the things that have been said. I support the position of the people who have spoken to you and what they say is very true. We do need you to come to our Community and hear what our people have to say to you.

I think the Commission will recognize that San Francisco residents have been overlooked. There's been nothing in the paper about anything being done to correct or mitigate the fact that our homes are being destroyed by the reverberations from the airplanes that take off. My pictures on my wall actually shake. I had to reinforce the glass cabinet that my wife has for her precious glasses so they wouldn't fall over and break. The windows go in and out like this ... When some of the aircraft taking off, particularly the large aircraft, 747s and things like that that leave a sound wave and backlash. We are being put in harms way by these takeoffs, not the landings.

I also want to vote very strongly that some consideration be given to the possibility of higher employment rate for the people who live in the Bayview Hunters Point area. You can do a positive thing for the City and County of San Francisco by having it in this arena. Thank you for your time.

COMMISSIONER MURPHY: Karen Huggins.

KAREN HUGGINS: Good morning. My name is Karen Huggins. I'm before you today as a member of District 7 Democratic Club, although I do hold quite a few offices in the City. But today I'm here as a resident of Potrero Hill and a member of District 7 Democratic Club.

We are asking that this Commission come out to Bayview Hunters Point so that issues and answers can be addressed. People in public housing are now moving toward self-sufficiency. We are an URG City as you know.

We have a \$50-million URG grant which is an Urban Revitalization Program grant which will be demolition of two developments in the City and rebuilding of those two. One for one replacement. Within that program we have WBEs, LBEs and UBEs, if you know what I mean, and they're up and running but we have trouble getting the bids because we don't get wherever you're putting your bids into. They're not in our Community papers.

There's a lot of issues that people out in Bayview Hunters Point and Potrero Hill have to get answers and we're asking that you please, with all do respect, come out to our Community and answer our questions. And we don't bite you. We're very lovable people out there and we have a lot of concerns about the Airport expansion. Thank you very much.

COMMISSIONER MURPHY: Chris Albert.

CHRIS ALBERT: My name is Chris Albert. I represent the Bay Area Black Contractors Association which represent the nine Bay Area Counties, and growing.

We're here to strongly support the Bayview Hunters Point residents on the Airport expansion. There's a lot of our members from the San Francisco area, particularly from the Bayview Hunters Point, that are not getting any contracts out there.

There have been several organizations that have been before you before now to address the policies in which the Airport, particularly with African American contractors. For those of you who did not read the signs, they say "Stop the backdoor policy." A lot of that is being done at the Airport. You're allowing contracts to be let for the higher dollar amount than they're actually doing work for. That is a practice that is going on as of this hour.

Bayview Hunters Point, as people have stated, are 70 percent, 70 percent unemployed. That's despicable in a City that does billions of dollars worth of work and going to do \$2.5-billion more. That is despicable because they're within a five mile radius of employment. That means they can infiltrate, they can take a taxi cab to the Airport to work. They can carpool to work. There are all mechanisms to get there for them to have justified employment.

BABCA says stop the justice for the economic crime in your City. Because that is exactly what's happening. The economical crime is infiltrating and it's killing our kids. It's going to kill their kids. And what Bay Area Black Contractors, particularly Bayview Hunters Point, is stipulating now that we're not going to have that anymore. I mean, if they have to take it to the streets, they're going to take it to the streets. If they have to take it to the courts, they're going to take it to the courts.

And I think you guys seriously need to convene some of your meetings out there to have their issues heard. And it's high time because I heard one person say it's been 1966 since you convened a meeting out there. A guy

who served in the military, when they put him out of the military, he still lives there and hasn't seen any of you guys out there. That's despicable and deplorable. Just think how many Commissioners have come through since he's been living there. New Commissioners. New promises. Old ideas. New ideas. None of them are working. I think it's time for this Commission to stand up and take a position because the third sign says "No business, no job, no money, no survival." That should definitely hit the point that if you do not do something constructive, then something is going to be done destructive.

Now you always look at, particularly African Americans, as being a means of being we're consumers. We buy but we can't build. You build jails to put us in but you won't allow us to build them. You build airports for us to fly in but we can't even be an airplane pilot. We're still talking about, now, the first black African American who probably is going to be in outer space.

If this is going to be a progressive City this has got to be a City for all inclusive. What you're doing now, you're excluding, particularly the African-Americans and particularly the Bayview Hunters Point. Their condition down there is deplorable. They should not have to live in there. Particularly, they are home owners. Some of your main homeowners have been here for many decades, who's going to be there for decades to come. They want their children to come and follow in their footsteps but they have no footsteps to leave for them. And if they don't get an economical base behind them they're going to still be stuck there going to the liquor store, going to the check cashing store and contributing to their local church. That is the scenario that is going on right now. That's got to stop. It's got to stop.

I've heard you go over about minorities and the guy on the third lowest bidder. I've seen the opposite direction. It's all about who you want to get the work. If you wanted Bayview Hunters Point residents to get some of this work, they will get it. If you so rule, they will get it. Since you have the power, wage it and utilize it for that community. Thank you.

COMMISSIONER MURPHY: Mr. Albert, one request. Since you're from a contractors organization, we would greatly appreciate it on Item 2 on the calendar, which was our surety bonding program for minority contractors, I think the members of your organization, the very people we're trying to reach, and if you would get in touch with the Airport staff we would pretty much like your input on that whole program.

MR. ALBERT: We have, on several occasions requested that because as I heard the guy explain the program, it's going to fail.

COMMISSIONER MURPHY: Why do you think that?

MR. ALBERT: It's going to fail. We've got a program that was instituted in Oakland that has 100 percent success rate. Right now there is over \$10-million in bonding currently being in place. It's being done in a variety of ways. There's banking working together, there's communities working together, there's contractors.

What happened to that, they didn't go to the backing, they went to the contractor. Even though they were forced to going to the street they went to the contractor. The contractor explained to them, a foreman, that it will failsafe for you, the City. It protects you the City. It gives a greater increase in participation for minority contractors. And what was explained to you today will not work because what you're talking about is teaching them something that they already know.

COMMISSIONER MURPHY: This isn't the place to do it, for new items on the calendar, we can't debate them. But, I would very much like your input on this and ...

MR. ALBERT: We'd be willing and more than happy to and I'm quite sure we have San Francisco contractors ...

COMMISSIONER MURPHY: We understand a basic thing, Mr. Albert, which is this program that we talked about earlier this morning isn't going to work without the Community involved.

MR. ALBERT: You're right. Thank you.

COMMISSIONER MURPHY: Carolyn Bailey.

CAROLYN BAILEY: Good morning, Commissioners. As many people who have been here before me, we're here to ask the Commission to come out to Bayview Hunters Point. I'm a contractor and I also have business in Bayview Hunters Point.

As you have heard, one of the problems that we're having, just listening to the problem you were having earlier with a contractor here and the language, a lot of the problems that contractors meet is the language that is in the contract. And always they have been told that even if you read the particular language that they send, that they're including, it's always the hidden agendas, the hidden message in contracts that people of color and also minorities do not understand. A lot of bids call for responsive bids. That means that they have to answer each specific item as it is. If they have not been taught, the small disadvantaged businesses that we're talking about, if they don't have the legal technology and the legal knowledge of this then they're going to miss a line and it automatically throws them out.

There's a lot of concerns out there. There's been a lot of things said between the Airports Commission and their spokespeople and us ourselves. I don't like all that's been said. The thing that we're here ... we're not asking you to be out savior. We have one of those, a savior; his name is Jesus. We're not asking you that. What we're asking for is a viable opportunity. If you say that you have 10,000 jobs available, I don't think that it's unjust or unfair or even beyond your imagination that a community who is 70 percent unemployed will come and say can we have a portion of those jobs. Also making aware what those jobs are, whereas that our people, if they're not qualified, can get qualified.

We're not asking you to do it for us. What we're asking you to do is come and address the issues, to state the type of jobs, and I have been talking to Ms. Crump and I talked to Mr. Jeanpierre before, if you let us know the jobs that are coming up, even the sequence of events that therefore we can have. If you say that you're going to need 15, 20 or 100 people in these particular categories, that gives us the opportunity to get these people aware.

I'm so tired of people telling us that you need to stand on your own feet and walk and the children are this. But no child knows any more than what they're taught and what they see and if they see poverty, if they live in it, if they sleep in it, then they're going to die in it. You have to have some form of hope, you have to have a vision and you have to be able to follow your dream. If you're hungry, Commissioners, you can't dream, all you do is feel the pain. And a man, if he can't feed his children or his family, then he stops becoming a man.

So all that we're asking for is let our Black men stand on their own feet in order to take care of their families. That we're asking for a place for our children to learn apprenticeships, to get jobs. You have people that, maybe, can take them on individually, teach them skills. A lot of them, because of the environment that they have, they might not have the academic knowledge, but visual, today this is a visual world, if you show it to them, they can learn. Give them the opportunity. Please.

The contracts that are coming out of the Airport, as you make them public and as you give them to the people in Bayview Hunters Point, make sure that the language is so that they can understand that particular thing.

I was speaking to Ms. Crump before and she was saying that Commissioners usually don't come out and what you do is send out your representative. Just recently they passed in the San Francisco Administrative Code, Section 16.5 "Special Meetings of All Boards and Commissions", that within a 30 day notice that you can set any place for your meeting. It is your choice. It has been voted on, it has been passed. It is written that you can give a 30 day notice to come out into this community.

And you won't just be helping Bayview Hunters Point. Do you not know that if the communities themselves begin to grow that the economical impact will be felt throughout San Francisco? And that's all that we're asking for is a viable chance. Thank you.

COMMISSIONER MURPHY: Kevin Williams.

KEVIN WILLIAMS: Good morning, Commissioners. You've heard quite a bit this morning and you will hear a little bit more about the feelings of Bayview Hunters Point. I come to you this morning without any animosity or bitterness. Nothing about this person. This is business. You are leaders of the City and County of San Francisco; I am a leader of the African American community at Bayview Hunters Point, of which I am a product, some 35 years.

What we are saying to you is not unreasonable because two letters from the New Bayview Committee, preceded by a letter from Board President Angela
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Alloto, and I'll pass them around to you (see attached) requested that this Commission, under its authority, provide specific information to her office regarding Bayview Hunters Point.

Number one was your availability to meet. Number 2 was funding for noise abatement around the City and County of San Francisco. And thirdly, how Bayview Hunters Point fits into the employment and contracting profile.

And to date, going back as far as 1991 when the Honorable Commissioner Mo Bernstein was Chair, we have not received any response. This inquiry goes back six-months, the most recent inquiry. We do not believe that is fair.

That is why I stood on television and said that this was a form of domestic apartheid. Because you have met with many neighborhoods on the Peninsula. You've addressed many concerns in Millbrae, Brisbane and San Bruno but you've been fearful with the African American community of Bayview Hunters Point. That is a form of xenophobia that finds its way into the bid room because there's a different discussion in the bar room. Deals are made there, too, that lock us out. In every instance the Bayview Hunters Point community and its leadership was ignored.

Three weeks ago at a press conference we characterized your utter disinterest and neglect of our community as domestic apartheid. Why? Because you meet in white neighborhoods, but refuse to meet in Black neighborhoods. It is not enough to tell you like other communities we have seniors, physically challenged persons and poor who don't have transportation to come to City Hall at 9:00 AM in the morning on a weekday. This is especially difficult for struggling working persons of the community who want to know and be involved in Airport business.

Why do we characterize your practices as domestic apartheid? Because you reward Peninsula residents with money, up to \$10,000.00, as mitigation for their inconvenience from jet noise.

Why do we characterize your practices as domestic apartheid? Because you have failed to award homeowners, Black homeowners in Bayview Hunters Point, five miles away from the Airport, a single dime for their coping with noise disruption. It is noted that 60 percent, that Bayview Hunters Point 28,000 residents are, in fact, homeowners. On record, Bayview Hunters Point has the highest homeowner density in San Francisco proper.

We characterize your policies and practices as domestic apartheid because in the history of the Airport not one major runway repaving contract for Airport repaving or Airport lighting has been awarded to a Black contractor. I've heard you mention subcontractors many times, but not prime contractors. That should also be revoked because we have been subs and subjected for too long. Half of the City's working class doesn't know that this Commission is awarding millions in contracts virtually outside of public scrutiny. We've brought you more people than you have had in quite some time to participate. Yet the the Commission's pervasive pattern of turning the blind eye to the truth is an insult to any thinking human being. You would have us believe that discrimination against African Americans and other people of color is a figment of our imagination. What do you take us for?

We know about the few token leases awarded to give the appearance of progress. We are not fooled, bamboozled or tricked by smoke and mirror tactics. With unemployment of African American men, over 60 percent, our community lays closest to the Airport and desperately needs and is entitled to a fair share of the jobs and contracts this huge expansion will produce. This is a quality of life issue.

Three and a half years ago, when we first requested that the Airports Commission meet in Bayview Hunters Point, it was around April or May of 1991, we were refused. Instead, a workshop was convened, a small business workshop was convened at the Cathedral Hill Hotel, a plush hotel. A place that's inaccessible, where many African American contractors can not even afford the coffee bill.

We are saying to you that it is necessary that this Commission take the people of Bayview Hunters Point as serious as you took the Peninsula people. I've heard about those meetings and I've the transcripts. We welcome you to Bayview Hunters Point and we'll provide the parking free.

I say to you that as long as I am a resident of Bayview Hunters Point this \$2.4 or \$2.6-billion expansion will not go interrupted without Black involvement, without Hispanic involvement, without Filipino involvement and other people of color. Therefore, we intend to boycott, picket until you see the wisdom of coming down to earth where the people are to address their concerns. Not with bowed heads and promises, but by deed. If justice can prevail in South Africa, it must prevail in South San Francisco. Thank you.

COMMISSIONER MURPHY: Charlie Walker.

CHARLIE WALKER: My name is Charlie Walker and I'm President of the Bayview Hunters Point Builder's Exchange, the first one in San Francisco. Unlike the previous people, my brothers and sisters that just left up here, I don't care if you all never come out to Hunters Point. It don't make me no difference. I personally don't care, but that doesn't mean that the community cares.

What I'm here about is I have never known in the history of contracting the specifications that say a contractor must abide by his affirmative action. Not in the history of contracting in America has any agency ever lifted a contract from a major contractor for not complying with that. As if the affirmative action phase of the specifications is really not a part of it. If a contractor is a contractor you tell him you want a hallway that's 14 feet tall and he decides it upon himself to make it 8 feet wide and 12 feet tall, he's got a problem with you. How come he's got a problem with you on the size of the hallway in the same specifications and don't have a problem with you about the affirmative action section of it?

Now let us be for real. The first time a major contractor in this country has a contract lifted because he did not comply ... I mean after the job is in progress, lifted ... it's not up to the contractor. The bonding company will go to him and tell him if you don't go out there and hire some of the niggers we ain't going to bond you no more. That's how the white people talk to each other. Now I understand that, you understand it and

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you understand it, particularly Mr. Turpen, you are the main violator of everything out there at the Airport. Everytime somebody tries to talk to you, you switch them over to somebody else and can't nobody talk to you, Jesus. Nobody in our community can talk to you, like you're the Pope or somebody.

Anyway, that's one part of it. The other part of it is the responsiveness. You all've got the nerve to sit there smugly and look at us. I go to Los Angeles twice a month and when there's a northern takeoff, with a left turn to the West and left turn to the South, I can look down in Espanola's backyard. My house and all of my children's houses shake like some kind of dance or something. Most of the houses got cracked walls as a result of that.

And see, my problem with you all is is that I know better than anybody else ... you all don't do that to white people 'cause white people get a gun and come shoot all of you one day. And everybody say, I wonder what drove him crazy. And we ain't never went that crazy on you all. But we got to start or do something because you don't hear us.

I don't care about you coming to the community. I don't care about but one thing ... the Japanese people in this town don't care if you don't never come to Japantown. They own most of the City now. The Chinese people don't care. Black people had a concession out there in the parking under Dr. Goodlett. You all found some reason to take ... the other Board did ... to take it from us. We don't have none of them concessions. You got two or three Black people in a little restaurant out there. So what? We don't own nothing in America. We don't import, export, manufacture, ship or receive nothing and 80 percent of all the drills that come in this country come through the San Francisco International Airport. You all know how to stop that but you won't do anything about it because why? You don't want to make United Airlines mad, would you? You understand?

So what I'm saying to you, if you come to the community and you scared, bring about 15 police with you like the rest of the white people do. You all get them police ... look, I go eat with the niggers tonight. Come over here with us. You all know how to do that. If you want to come, good. If you don't want to come, I don't care. But what I do care about is the dollars that we are spending in land taxes and any other kind of taxes and you find every reason for us not to participate.

A lot of times I think our people ask for the wrong thing. I'm not asking for the wrong thing. I want some of the money. See, that way I can give you a job and fire you whenever I get ready. You know what I mean? I don't find no humor in it that we've called you about 20 times and you always turned us over to your deputy who don't know which way home most nights. It's you we're looking for, baby.

So what I'm asking all of you is we have a builders exchange. We help aid white contractors and line them up like they don't know how to find no Black people. They know how to go down there and find Black women in the Tenderloin when they're looking for them. I don't know why they can't find us out in Hunters Point. And they're ain't nobody going to bother you all, no way. I don't know of one case of a white man coming out in Hunters Point to one of them meetings and anything happened to him. So what's the problem? Why can't you all come out there? Do you, Mr. President have an idea? I'm talking to you man.

COMMISSIONER MURPHY: The answer on whether we come out to a meeting in any community is something we're going to have to think about. We have, since I've been on this Commission for six years, we have had exactly one special meeting at the Airport. Mr. Williams talks about the meetings in San Mateo County. I don't want to disagree with him, but they were individual workshops which I attended. I'd be happy to come out and meet with you. We will take under advisement the request that we have a special meeting at your center.

MR. WALKER: Our center.

COMMISSIONER MURPHY: Your center.

MR. WALKER: Our center. You know, you're a tax payer just like I am. That belongs to all of us. It don't belong to us like we done moved somewhere on the moon and it's ours. If it was ours you would have trouble when you get out there. Anyway, it belongs to all of us.

And with the high rate of unemployment, we got all the industry in our community. And don't tell me you ain't gone on no airplane and pass right over the top of Candlestick Park. You know what that's called ... the crash pattern. The most dangerous time of an airplane is when its taking off and landing. If one of them airplanes get loose it's going to kill so many people in Double Rock, Alice Griffin and all that's by my house and everything else. And we can't get mad because we ain't nothing but to throw a rock at some of them airplanes. Some of them guys come in awful low when they taking off. And you all know it. And it shakes our houses.

And what do you intend to do if you giving white people money, when you all give us some money to fix our houses? I mean, I don't care what everybody in this room asks you all for. It's down to when you all going to give us some of the money? When you all going to give us some of the contracts? When can we come out there? Change the rules because the rules are designed to exclude us, period. The rules are just designed like that. I don't care if you did it intentionally or unintentionally. The fact is it's happened. So, what we want to know from you, when you're coming? If you're coming.

Number two, we have builders exchange in our community, if you want to get in touch with some of the African American contractors you can contact us at 824-9791. Our FAX number is 824-2907. You have all the African American groups in Hunters Point. You all know our telephone number. If you all want to pick one of us up, you all know how to get us. Send the police over there, go pick that nigger up. They done pick me up a lot of times like that.

So what I'm saying, and I'm not joking about it, you all need to do something about it. Either cut us in, or cut us out. Tell us. We won't come down here no more. If you just straight sit there and say look, we ain't going to do nothing. Then we will leave and figure something else out. Why should we badger you all with this madness? If you all ain't coming, just say you ain't coming. If we can't have none of the contracts, Turpen, just tell us no.

I went to that pre-bid conference the other day, one Black man ... the White man was getting up talking for hours. One Black man got up and said one word and all the White boys got noisy. Boo! Not giving him the respect of hearing him out. You need to go to some of them pre-bid conferences and see how stupid your people ... and guess what, the funny part about it is it was two White people and four Chinese people. Not one African American sitting on the pre-bid conference. I even started feeling sorry for White people now 'cause I don't even see them in it. And as far as you concerned Brother Turpen, I wish that we can get in touch with you sometime cause that deputy you got, I don't know what he doing. So all I want to know that if you all ain't coming, tell us. If you are coming, tell us. If we can participate in the money making side of it, tell us how we can do it. Let's make some special arrangements. Because the rules that been made, they ain't working. I don't care what nobody up there say, if it had worked we would not be here today. Thank you.

COMMISSIONER MURPHY: Reverend Eugene Lumpkin.

REV. EUGENE LUMPKIN: I come today because I am concerned about what has and what has not transpired in the Bayview Hunters Point area. I, too, like so many others here, have lived there in Bayview Hunters Point neighborhood. I was appointed a Commissioner under Mayor Joe Alioto and again a Human Rights Commissioner by Mayor Frank Jordan, and some of the same problems that existed back in '73 under Mayor Alioto still exist in the neighborhood today.

Now, I have Pastored a Church there in the Bayview Hunters Point neighborhood and we take pride in telling our people to be good citizens, and we ought to obey the law and what have you. But then it disturbs me when a Commission that is appointed by the City to do good and to govern and to make rules and regulations for the City and to enhance our business opportunities, jobs and really survive, but first of all they don't feel it necessary to even meet in the neighborhood. I don't understand that.

My main concern is economic development. When I stand on a Sunday and tell a sinner, parishoner how he ought to be obedient to the law, how he ought to take care of his family, how to do other things and then that same person has been denied the same rights and privileges to participate in the economic development of our City and its relation to the Airport in particular. We would hope and trust that you would reverse that policy. But I would like to say, like the gentleman who preceded said, though it really doesn't matter where you meet if you're intentions are not honorable, to do the honorable thing. And that's what I'm concerned about. We hope and trust that you would do the honorable thing.

Now, quite often it's said that we need to pull up our own bootstraps. You now you drive down Third Street and what have you and you see the deplorable condition that exists in our neighborhood in the Bayview Hunters Point but it's impossible for us to pull up by our own bootstraps most time if you don't have boots on. And then again if you're not able to participate in the economic development of your neighborhood and been able to feed and support your family.

And so I'm hopeful that when I stand the next few Sundays that I can say to the citizens of the Ebenezer Baptist Church that we have been thoroughly convinced and convicted beyond a shadow of a doubt that this Airport Commission is going to do the honorable thing. Is going to be concerned about all of our citizens in the City and we can look forward to participating in the process.

Two things I need to share with you. I have raised three children in the City. Two daughters who have completed college and what have you. Not one time have I been able to get one nickle. I have applied for grants, loans and all kinds of things and all the stuff they come back with and they want me to send my taxes for the last three or four years. They want me to do this. They don't want me to own nothing. They don't want me to be naked outdoors and what have you. And so I just said to them, forget the process. And I have been able to get them through college. They're through college, they're married. But then they can't even work in the City of San Francisco. They can't get employment at the Airport. And one of them is in specialized education. And there is something that they can do but they can't be allowed the privilege. So one has to live in San Mateo and the other has to live in Sacramento to be able to survive.

And that's one of the things that's happened to our Church. All our young people, we've got about four graduating ... two from Cal this year and two from State and neither one of them will be able to get any means of employment here in the City of San Francisco because of the kind of rules and regulations we have. They're left out of the process. And I hope and trust that you would reverse that kind of policy, particularly as it relates to consumers because we are definitely consumers of the business in which you regulate the Airport. So we hope and trust that you would be serious and consider coming out to the neighborhood and have a dialogue with the people out there because we're really concerned.

COMMISSIONER MURPHY: Franco Consolacion.

FRANCO CONSOLACION: Good morning, Commissioners. My name is Franco Consolacion. I am a certified public accountant and President and founder of the Filipino Accountants Association, former Commissioner of the Human Rights Commission of the City and County of San Francisco.

I am also a taxpayer of the City and County of San Francisco. I share the concerns, the aggravation, the agony and the desperation of the African American community. If they are angry, they have a reason to be angry. We, the Filipino American community, have been working closely with the African American community. I won some fights because of the support of African American community. Mr. Kevin Williams, who was my former student at the San Francisco State University, can attest to the fact that it is not only the first time for me to appear before any hearing of a Commission in the City and County of San Francisco.

Look at your records my friends. Look at the records of the Human Rights Commission. I was a witness in some public hearings to where the concerns of the Filipino community that you have never afforded us a bid. Not a single bid was given to the Filipino American community. Notwithstanding the fact that the qualifications of the Filipino American community may be

as good as your qualifications, if not better than the qualifications of the Whites, which you patronize.

In your records, tell me exactly what is the ratio of the share that the Filipinos ever got from the San Francisco Airport Commission. When my good friend and former student, Kevin Williams was assigned in the Airport we have made some improvements. There were strides. But because he might have been a threat to you his reputation as a good worker was questioned and he was even demoted to desk work for doing his job. I can attest to that because I am the one who gave him a lawyer to defend him in his suit against the City.

I was a lawyer myself. I know what we suffered. I know that you are not responsive to the needs of the minorities. As a former Commissioner myself I know how the minorities are suffering from discrimination against the so called majority. Don't we deserve your attention? Look at me on the eye. If you feel offended because of what we are telling you, we are just sorry. But do your job. Serve the interest of the taxpayers of San Francisco.

I support the demand of the African American community that you have to hear them. Go to their community. Come to our community. You must try to define your plan of action. Choose the alternatives by which you can do your job effectively. Identify the concerns that are given to you or aid to you by the citizens and taxpayers of San Francisco and thereafter make an intelligent decision. Thank you, so much.

COMMISSIONER MURPHY: Shirletha Calhoun.

SHIRLETHA CALHOUN: Good morning, Commissioners. I think all of the speakers before me have conveyed the message that the community wants to share with you. But as I was sitting here, because I was not really planning on speaking, but as I sitting, and I was very emotional hearing what I was hearing.

I cannot believe as a native, being born in San Francisco here and I guess my mother raised nine and she wrongly, I would say being in this forum, I guess wrongly taught us, we should see each other, every human being the same, without colors. But as I sat here in the audience today I was really feeling really fooled and I can't even understand how it's an issue to ask Commissioners who are representatives of the people, and we are the people, unless we're talking about racism, then you would not perceive us as being the people and it would be an issue for you to come out to the community to meet with the people. But I really could not believe that we had our leaders before you pleading and asking for you to come into the community.

I just think that it is just a matter of rights that we have you as servants of the people that you would want to know what the people ... what their concerns are and what our needs are. So I just really wanted to put that on you. I think you're really sending out a very negative message here. Especially when one of the Commissioners said that we just have to think about it. And I was saying to myself, I said I can't imagine what there is to think about. You need, as representatives of the people, you need to be out there amongst the people to see what the needs of the people are in order for you to effectively do your job.

Minutes, June 21, 1994, Page 31

And then the other thing I wanted to say is that I do, in fact, have a very ... again, this is discrimination, racism. This is so prevalent and I feel that I really wasn't prepared being raised in San Francisco ... they say this is a melting pot and everyone, we're all equal and this stuff ... I really wasn't prepared as a youngster to I guess deal with this kind of issue we're facing today, which is just a pure form of racism. I really am not. And this is my brother, right here, and he can tell you all nine of us, we're not prepared to deal with this kind of stuff and I'm feeling a lot of different emotions and anger and everything. Because I can understand the plight of the young people out there. I work with a lot of people out there. I work with a lot of average youth and I can understand their plight. Because we have our adults and our leaders here pleading with a majority of European individuals on this Commission to come out to the community to see us. I mean, what is this? I can't believe it and yet, still, you don't understand what our plight is regarding unemployment, violence, crime, everything that impacts us. How can you serve us if you do not know what our needs are?

So, I would like to urge you to come out to the community. And I really feel funny asking, urging you to do this because, again, I have to tell you because as one that's been raised the way I am I'm like, oh, it's no problem, I'm sure you guys will come out to the community. It shouldn't even be an issue. Why should we waste this valuable time when we could be working on the issues that we have to work on. That should not even be an issue.

So, I do expect you because this is the way I feel. I do expect that you will be out into the community. And I don't believe safety is an issue because it's an issue for all of us concerned. You don't need the police to be coming out there and you don't need all that stuff. Because if you do you should not even be a Commissioner of the people because you are afraid of the people. Bayview Hunters Point is a very large area and community so if you're afraid to come out to Bayview Hunters Point you are really afraid of the people. So I really would advise you to just go ahead and step down as our Commissioner. But I really don't see that as a problem here.

The last thing I wanted to say is that yesterday I was in the Democratic 7 office and as you know it is the issue in terms of the airplanes. And we were in a meeting and we actually had to stop the meeting for a moment as an airplane went over. These are issues and the noise abatement issue is something that needs to be addressed immediately. You have to wonder what type of effect that this noise has on our children, on our babies. If you hear the adults here before you saying that this is a problem and one of the sisters here is saying there is a blind mother who lives right there in Hunters Point, bought her house in 1964, blind, and every time an airplane goes over it shakes and it throws her off. And this is something that we immediately need to address.

Again, in closing I would like to say that I'll be expecting to see each and every one of you out in the community. And I don't think there's no other speakers ... need for anyone else to invite you or ask you to come out there. Because I trust and believe, as individuals who my mother raised us to believe in and that don't see colors, you will, in fact be out there to address the issues of your brothers and sisters. Thank you.

COMMISSIONER MURPHY: Okay. No other speakers. We thank you all for appearing. We have a closed session now.

COMMISSION SECRETARY: Yes.

CAROLYN BAILEY: Excuse me, Commissioners. I just wanted to know when would we know, or how will you make us aware of your decision as to ...

COMMISSIONER MURPHY: Who would be the logical person for us to deal with? Mr. Murray?

COMMISSIONER JEANPIERRE: Espanola.

COMMISSIONER MURPHY: Or Espanola. Okay, that's fine. We'll be back to you.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. CLOSED SESSION:

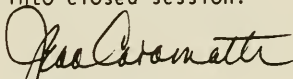
The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(a) to discuss existing litigation entitled Millbrae v Airports Commission, CCSF.

The Commission determined by a unanimous vote that it is not in the public interest to disclose the nature of their closed session discussion.

* * *

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:59 AM to go into closed session.


Jean Caramatti
Commission Secretary

INTRODUCTION

By a member of the Board of Supervisors

I hereby submit the following item for introduction:

Time Stamp or
Meeting Date

- ☐ 1. Resolution or emergency ordinance for the printed agenda, for immediate adoption.
(if not to be on printed agenda, use a different form)
- ☐ 2. Resolution for adoption, without reference to Committee, at the next Board Meeting.
- ☐ 3. For reference to committee an ordinance, resolution, motion, or charter amendment.
- ☐ 4. Request for committee hearing on a subject matter.
- ☒ 5. Request for letter beginning "Supervisor _____ inquires ..."
- ☐ 6. Request to City Attorney.
- ☐ 7. Other (Call file from Committee, reactivate, etc.).

Sponsor(s): Supervisor Supervisor Angela Alioto

Subject: Airport Commission and the Bayview Hunter's Point Community

The text is listed below or attached: Supervisor Angela Alioto respectfully inquires to Louis Turpen, Director San Francisco Airport:

- 1. The location and dates of public forums held in the Bayview Hunters Point Community regarding the Airport expansion plan.
- 2. The amount of money, and locations of noise abatement payments to homeowners in the San Francisco Bay Area.
- 3. The plan for participation by Bayview Hunters Point Residents in employment regarding the S.F. Airport expansion plan.
- 4. Whether the members of the San Francisco Airport Commission will be available to attend a community town hall meeting on Wednesday February 16, 1994 to discuss the Airport expansion plan.

Signature of Sponsoring Supervisor

For Clerk's use only:



16 August, 1993

AIRPORTS COMMISSION
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Dear Commissioners:

I am writing at the behest of constituents from the Bayview/Hunters Point community who have contacted my office to contend that you have repeatedly ignored their requests for discussion of the impact on their community of the airport expansion you are planning to undertake at San Francisco International. This allegation deeply concerns me, as it would be uncharacteristic of the Commission to take such a stance toward the residents of San Francisco, and because I know that your Commission has held extensive meetings with the residents of San Mateo county.

As I am certain you are aware, more than six thousand additional vehicles will be added to the traffic flow toward the Airport by this expansion. Much of that flow will impact these peoples' neighborhood in the Southeast sector of San Francisco. Because of this community's proximity to the Airport, I would anticipate that you would be especially sensitive to their concerns.

Thus I would appreciate your taking the time to "touch base" with the representatives of this community who have contacted my office, as well as getting back to me on this matter. People with whom you can make contact in order to arrange meetings with this community are Sam Murray (415) 468-2200 and Espanola Jackson (415) 467-0535. Alex Pitcher can assist you with the names of community organizations interested in attending.

I would appreciate it if you would keep my office apprised of your progress with this community. Thank you for your time and cooperation.

Sincerely,

Angela Alioto,
President, San Francisco Board of
Supervisors

The NEW BAYVIEW Committee

P.O. Box 3731 San Francisco, CA 94188-3731

July 22, 1991

Airports Commission
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Dear Commissioners:

By letter dated April 30, 1991 (attached) the New Bayview Committee extended an invitation to the Commission to hold one of its meetings in the Bayview Hunters Point Community (BVHP). To date, we have received no response to our letter with respect to a mutually acceptable date, time and place to hold a meeting nor have we received any of the informational data on contract awards the Airport has made to African American businesses, particularly those within BVHP.

We would like to believe that you inadvertently did not receive it through regular mail. However, the letter has not been returned, and we have verified the mailing address under which it was mailed as being correct.

We again extend our initial invitation, that the Commission and its staff provide us answers to major concerns of economic parity confronting our community. Also, your cooperation with the data request per this Committee's April 30th letter would be appreciated.

We trust that we will hear from the Commission within five (5) days receipt of this letter. You may contact me at (415) 822-9602.

Sincerely

Samuel A. Murraray
President

cc: Black Leadership Forum
NAACP
Black Chamber of Commerce
Black Men for Action
African American
Agenda Council
Ministerial Alliance

REGISTERED NO. <i>1177682 375</i>		POSTMARK OF <i>SAN FRANCISCO, CA 94188-3731</i> JUL 22 1991	
Post Office Completion (Please Print)	Reg. Fee <i>\$4.40</i>	Special Delivery	\$
	Handling Charge	Return Receipt	\$
	Postage <i>\$75</i>	Restricted Delivery	\$
	Received by <i>DBurke</i>	<input type="checkbox"/> Intl	
Customer must declare Full value \$ <i>4</i>		<input type="checkbox"/> With Postal Insurance	<input type="checkbox"/> Without Post- al Insurance
		\$25,000 Domestic Ins. Limit	
FROM Customer Completion (Please Print)	New Bayview Committee P.O. Box 3731 San Francisco, CA 94188-3731		
	TO Airports Commission SFIA P.O. Box 8097 San Francisco, CA 94128		

The NEW BAYVIEW Committee

P.O. Box 3731 San Francisco, CA 94188-3731

April 30, 1991

Honorable Morris Bernstein
Airports Commission
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Dear Sir:

This is to extend an invitation to the the Airports Commission and its' Director to hold a May meeting in the Bayview Hunters-Point community. You may be unaware of the inadvertent exclusion of our residents from your meetings, by virtue of the morning hour and City Hall locale, in which your meetings are held. Notwithstanding, businesspersons, senior citizens and disabled individuals, that for quite obvious reasons are unable to participate in the Airports' process. It is of note, that the Human Rights Commission met in our community on April 11; in recognition of its' inaccessibility to some San Francisco neighborhoods.

Therefore, we would like to discuss a mutually convenient date and late evening time (5:00) for the meeting.

In the interim, we request information covering the total number of contracts including, franchises, concessions and leases at the Airport, and the number and dollar amount awarded to Bayview Hunters-Point and specifically its' African American owned businesses, be provided for review and comment. In addition, your cooperation would be appreciated supplying us residential employment data, pertinent to all phases of Airport direct and indirect related hiring. In this regard, we are desirous of knowing to what extent, if any, the Bayview Hunters-Point community is economically benefitting from Airport commerce, as the largest southeast sector population in San Francisco and one geographically closest to S F O.

We look forward to meeting you and discussing the logistics of a meeting of the Commission in BVHP and receiving the information.

You may contact me at (415) 822-9602.

Sincerely,

Sammuel A. Murray,
President

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

JULY 19, 1994

FRANK M. JORDAN, MAYOR

COMMISSIONERS

PATRICK A. MURPHY
President

J. STANLEY MATTISON
Vice President

L. ANDREW JEANPIERRE

MARIE K. BROOKS

MICHAEL S. STRUNSKY

LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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of the Minutes
Airports Commission

July 19, 1994

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Minutes
of the
Airports Commission Meeting

July 19, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:08 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Patrick A. Murphy, President
L. Andrew Jeanpierre
Michael S. Strunsky

J. Stanley Mattison, Vice President
arrived at 9:11, during the discussion
of Item No. 1.

Absent:

Marie K. Brooks

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 19, 1994 were adopted by order of the Commission President.

No. 94-0151

* * *

D. DIRECTOR'S REPORTS:

1. Report on Light Rail System - Oral Report

Mr. Lou Turpen, Airport Director said that if this model is dismantled it will take you down through each level of the new International Terminal to one of the proposed BART alignments. As each piece is lifted off, elevators, escalators and the verticle circulation is exposed on access to the terminal facilities and the Light Rail System.

Mr. Turpen said that the model is designed to demonstrate how we would get from Point A to Point B, and to make sure that we could do it in a scaled format.

Mr. Turpen said that a couple of options for the Light Rail are being considered. A more detailed analysis will be presented in the future.

Mr. Turpen said that the Light Rail will operate on the departure level roadway. Our original thinking was that it would operate on two levels, but based on the number of transfers from upstairs to downstairs, the cost and physical impediments, there is no way to do that and have it return a dividend. The system will be bi-directional.

Mr. Turpen said that there are three concepts being considered. The concept before the Commission pinches the Light Rail System as it comes through the new International Terminal. This has certain advantages.

The second system is called the spread configuration. It goes to the outside of the Ground Transportation Center and comes through the outer edges of the new International Terminal. This has some distinct benefits with respect to verticle access, particularly if Alternative 6 is chosen. It also make it a lot easier, in terms of accessing the terminal facilities, with respect to stations.

The third option, which was looked at previously and will be looked at again, is a pinched option but it comes straight through the International Terminal and over the top of the garage, distributing passengers at a central core.

Mr. Turpen said that he will return to the Commission in about 30-60 days with a recommended option, as well as the pros and cons of each option for the Commission's consideration.

Mr. Turpen said that seven terminal stations are presently planned ... two in the International Terminal, two at North, one at Central and two at South, each corresponding to the boarding areas. We will initially start with three stations, although we will design for five, beginning with a station at Boarding Area F, United's main concourse, Boarding Area D, which will house American Airlines, and, Boarding Area B, at USAir and Northwest. Two more stations will be added as passenger the count increases.

Mr. Turpen said that staff expects this to be in operation in the terminal loop coincident with the opening of the new terminal in 1998. The second phase, to United's Maintenance Center, is to be completed by 1999. The third phase, all the way around and out to the seaplane harbor and the FBO is scheduled for completion by the year 2000.

Mr. Turpen said the first two phases will cost about \$240-million, and an additional \$111-million to get to the seaplane harbor and the FBO.

Commissioner Murphy asked how frequent the trains will run.

Mr. Mike Allen, Bureau of Design and Construction responded that they will run every 3-5 minutes, depending on the time of day.

Mr. Turpen called the Commission's attention to the spur at the bottom on the map. This spur would pick up the other current popular BART alignment. One alternative is for the West of Bayshore, the other is

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for the East of Bayshore. The West side is more illustrative of what will happen.

Mr. Turpen said that passengers will approach the terminals on bridges, much like the connection between the garage and the North Terminal. The train will operate above the bridge. Passengers will descend from the train on center platform escalators to the bridge and then across to the terminal building, or, go back into the garage at level 5.

Mr. Turpen presented the Commission with renderings of the alignment and said he will return to the Commission within the next 60 days. He said that since the level on which the train will operate has been determined, we must now finalize which alignment on that level would best serve the Airport. The alignment that will work the most effectively, both operationally and to the convenience of passengers, and still keep the cost down will receive his recommendation. However, all three options will be presented so the Commission can evaluate the pros and cons of each.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item nos. 2 through 7 were adopted unanimously. The Commission voted unanimously to recuse Commissioner Jeanpierre from participating and voting on Item No. 2 due to a business relationship with some of the listed contractors.

2. Nomination Approval of Architects/Engineers for Selected Master Plan Projects

No. 94-0152

Resolution approving Architects/Engineers Selection Panel's nomination for engineering consultants for the following Master Plan Program projects:

- New East Underpass
- Utility Tunnel Under Ground Transportation Center
- Improvements to Central Plant
- Boarding Area A Aircraft Apron
- Boarding Area G Aircraft Apron
- Ground Power/Air at Boarding Area B
- Fueling System & Boarding Area B Apron
- A.L.R.S. Segment at Lots D & DD

Mr. Turpen said that Commissioner Strunsky had initiated a question regarding the Light Rail alignment at D and DD, the long term parking lot. He said that there was some early confusion on this with respect to the requirement for a tunnel through that lot. The FAA indicated that we would have to tunnel through the long term lot because of its proximity to the end of the active runways. While the FAA's application of that rule was consistent with their general rules, it concerns new airport construction, not necessarily new construction at an airport. Staff feels optimistic that it can work with the FAA to change their position, thus allowing us to bring the Light Rail system through at grade, a far more practical approach.

Mr. Turpen said that included in this is the engineer for the Light Rail system through D and DD. At this time the scope of the contract would include meeting with the FAA to determine glide scope, clearances, and any work necessary to prove that the system can work at grade and not in a tunnel.

Commissioner Mattison asked when budget estimates for D and DD were expected.

Mr. Allen responded that estimates would be available in about 90 days.

Mr. Turpen expected an FAA response in about 30 days. He said that we have an estimate of \$35-million for the underground alignment, which we have rejected. He believes it to be an artificially induced cost.

Mr. Turpen explained that the FAA requires a 1,000 foot clear area at the end of runways. The FAA also decided that it would like another 1,000 for new construction. That second 1,000 feet is not applicable to retrofits. We want to confirm that with the FAA. The requisite paperwork will be filed to obtain approval of a project under the clear zone.

3. Award of Contract No. 2801 - Parking Structure on Lot DD

No. 94-0153

Award Contract 2801, Parking Structure on Lot DD, in the amount of \$36,412,000 to Tutor-Saliba Corp. Work will include a six-level parking structure, FAA Instrumentation relocation, and roadway work accessing the parking structure.

The activity is within the scope of the Master Plan Program, approved by the Airports Commission on Nov. 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Turpen said that this is the first project under the Master Plan. HRC has approved award to Tutor-Saliba, the low bidder.

Minutes, July 19, 1994, Page 6

Commissioner Strunsky said that there is a decision not to accept Alternate A-3 which requires the contractor to have earthquake/flood insurance. He assumed that while it said "on" that it should say "and all risk course of construction insurance." He asked how the Airport covers itself on those types of risks and is the all-risk part of the wrap around policy we are going to initiate?

Mr. Allen responded that while the State requires public agencies to include earthquake and flood insurance in bid packages for public works contracts, we are not required to accept it. We do not feel it is a cost effective option to include it in the contract work. Course of construction insurance is included in contracts. This contract is not part of a wrap-up program.

Mr. Tollie Greene, Tollie Greene Consultants, submitted a copy of his protest and proposal. He said that a review of HRC Form 2A shows that the apparent low bidder failed to list his WBE participation. According to the document attached to his protest, there is language that states that if Form 2A 00487 and 2B 00488, and 00430 were not in alignment, the bid would be considered non-responsive and rejected.

Ms. Pansy Waller, HRC Contract Compliance Officer said that Tutor-Saliba had met the pre-award requirements. That conclusion was based on careful evaluation of Forms 2A and 2B. She said that in her letter to the Airport she said indicated that the apparent low bidder had listed subcontractors to do a portion of the contract work, giving Tutor-Saliba 15%, which met the goal. She said that only one WBE had been listed, R and A Supplies.

Ms. Waller said that when she reviewed Form 2B, the good faith effort form, she was overwhelmed by the amount of good faith documentation that had been submitted. She said that she explained to the bidders at the pre-bid conference that good faith efforts needed to be documented and submitted, but failed to explain that this documentation only had to be submitted in the event a bidder failed to meet subcontracting goals.

Ms. Waller said that Tutor-Saliba submitted an inch and a half of good faith documentation. She reviewed it carefully and determined that all the steps undertaken by Tutor-Saliba complied with the HRC rules and regulations regarding good faith efforts.

Ms. Waller reminded the Commission that there is no quota system, it is good faith. Even though the goal is 3%, it is still not a quota goal. She said that she contacted Tutor-Saliba regarding the firms that had been listed as having been reached. She said that it was then further clarified that some of the WBE firms would be second tier subcontractors or that suppliers to the subcontractors had increased participation.

Ms. Waller said that according to the subcontractor listing law, a bidder does not need to indicate in the subcontractors list form those firms that are less than half of one percent. Second tier, according to her understanding, does not have to be listed in the subcontractors list form.

Commissioner Jeanpierre did not understand the issue and asked if the problem was the bidders failure to attach a form, or to complete it.

Ms. Waller responded that she was present at the time of the bid and received the forms as well as the good faith effort. Based on her review, Tutor-Saliba had met the affirmative action requirements and were eligible for award of this contract.

Mr. Greene explained that the forms were to be submitted by the contractor. The HRC's enforcement mechanism was Item No. 18 and Addenda No. 1, attached to his protest. It simply says that if the items are not filled out the way the HRC requirements outline that the bid would be deemed non-responsive and the bid could be rejected.

Commissioner Mattison asked Mr. Greene if he was saying that since Tutor-Saliba filled out the form in a slightly inconsistent way, their bid should automatically be rendered non-responsive. It is a technicality.

Mr. Greene said that the process was clearly outlined in the pre-bid meeting and all the contractors agreed that they understood. He said that he had offered his services as a consultant because it seemed to him that there was some confusion as to how the requirements would be met or dealt with. The pre-bid meeting minutes will verify his this. Item No. 18 was initiated by the HRC, approved by Ms. Ng and the Airport Director and submitted into the contract documents.

Mr. Greene said that at the time of the bid opening the apparent low bidder failed to submit his documentation according to Addenda No. 1 of the contract documents.

Mr. Greene said that HRC Director Ed Lee and Nancy Ng, a member of HRC staff, recently deeded an apparent low bidder non-responsive because the contractor made a mistake on Form 2A. He believed that HRC was arbitrarily making up the rules as they go along. In this case Tutor-Saliba listed a WBE subcontractor at .02 percent, yet the bid form didn't list anything under WBE.

Mr. Greene asked where HRC is drawing the line in the way they are making their decisions.

Commissioner Murphy suggested to Mr. Greene that his complaint is with the Human Rights Commission, not the Airport.

Mr. Greene responded that his concern is with Contract 2801 and the issue of fairness in the way it's been handled.

Commissioner Mattison appreciated Mr. Greene's comments but said that the Airport has to defer to HRC in compliance matters. If the Commission awards the contract it may do so subject to review and confirmation by HRC as to whether there had been a technical violation. If not, the award would be upheld.

Ms. Mara Rosales, Airports General Counsel explained that the MBE ordinance is not a quota-type ordinance. If a contractor fails to meet the goals, the contractor must prove by way of documentation that he made good faith efforts.

Commissioner Mattison felt that the issue was simpler than that. He believed that this is a technical error, an inconsistency in filling out of the form and that the bid should be rendered non-responsive.

Mr. Greene said that his complaint is very specific. A copy of the contract drawings are attached to his protest. He was not protesting the WBE goals, he was protesting what is written in black and white in Item No. 18: "Bidders will be given one hour to fill out document 00487 and 00488 and insert them into Envelope C. Information for document 00487 is to be obtained from Informational document 00430. If any differences in amounts of MBE or WBE subcontracts between document 00430 and document 00487 will result in the bid being determined non-responsive and rejected." That is the letter of the law.

Ms. Rosales said that it was her understanding that the contractor complied with the provision.

Mr. Greene said that he saw Form 2A 00487 and it was completely blank.

Ms. Waller responded that there was no deviation with the bid form, which is the subcontractors listing form. Suppliers do not need to be listed. She explained that with regard to Mr. Greene's argument that there was nothing listed in the WBE column, she said that she knows the WBE community just as well as she knows the MBE community. If a mistake is made in checking the percent under the WBE column, she can spot it. She knows the supplier that was listed. She explained that if Liberty Builders was listed as a WBE, she would know that it is an MBE. This is part of the discretionary review that she has in her capacity as Compliance Officer. She does not penalize a contractor if the percentage is not included in the MBE or WBE column.

Commissioner Jeanpierre suggested that since there seems to be a certain amount of ambiguity in the forms, that HRC should review its language.

Commissioner Murphy noted that this is an HRC problem. He said that he doesn't understand a protest by someone who is not a bidder. He said that while he is not suggesting that Mr. Greene does not have a right to appear and be heard, he does not believe that the Commission should get into subs and second tier subs protesting awards when the bidder is not present.

Commissioner Jeanpierre agreed.

Mr. Ron Tutor, Tutor-Saliba said that no mistakes were made in the forms. There were no ambiguities. Any review of their form will show that they met every aspect. There is no protest from the second or third bidder because there is none worthwhile. He said that Mr. Greene is dissatisfied because Tutor-Saliba did not consider him to be utilized in the performance of their contract.

4. Professional Services Contract - Parsons-OPAC-AGS, An Association

No. 94-0154

Resolution to approve budget and award
Minutes, July 19, 1994, Page 9

Professional Services Contract for
Elevated Circulation Roads to Parsons-
OPAC-AGS, An Assn. in the amount of
\$12,000,000.00.

Mr. Turpen said that this is a professional services contract for the elevated roadway system. This new elevated roadway system will not only serve the new International Terminal, but the Ground Transportation Center/rent-a-car garages.

Commissioner Murphy asked if this contract satisfied all the M/WBE requirements.

Ms. Waller responded that it did. They met the goal of 19 percent and 6 percent on M/WBE respectively.

Commissioner Mattison asked if the goals for primes were advisory.

Ms. Waller responded that the goals are the subconsultant goals in this particular contract. They actually had \$1.9-million, giving them 19.5 percent. This was just listing the subconsultants on that portion of the work. The WBE was \$604,447, or 6 percent.

Commissioner Strunsky said that this is a study and design contract to build roadways. He said that there are some options that are being investigated on the split system versus the pinched system. He assumed that when those decisions are made that they will effect the roadway in some manner. He asked if there will be an overall coordinator. He knows that staff has the capability, but wondered if any consideration is being given to an overall coordination firm to take responsibility in assisting the staff on the detailed issues. He asked if the model that was presented earlier can be computerized so that options can be investigated.

Mr. Allen responded that staff is proceeding in that direction and investigating overall CM firms.

Commissioner Strunsky asked if it would include the integration of the entire Master Plan Program, with the possible exception West of the rental car garages. He wanted to make sure that duct banks aren't going through where BART will hopefully go and any other problem that might be headed off in advance, thereby minimizing our costs.

5. Surety Bond Credit Enhancement Fund

No. 94-0155

Resolution approving the initial
deposit of \$1,000,000.00 into the
Credit Enhancement Fund.

Mr. John Martin, Deputy Director for Business and Finance said that this item establishes a \$1-million credit enhancement fund for the surety bond program. The fund will be available for credit enhancement for working capital bank loans as well as forfeit enhancement for surety bonds.

Commissioner Strunsky felt that this was a great start but he thought information should be presented to the Commission on how it's going to work. He noted that two meetings will be held on July 27 but wondered if that would be adequate to get the kind of input that we will need.

6. Adoption of Fiscal Year 1994/95 Rates and Charges

No. 94-0156 Resolution establishing landing fee rates, minimum landing fees, terminal rental rates, in-transit lounge fees, jet bridge fees, sewage/wastewater treatment fees, and requesting supplemental appropriation.

7. Resolution Accepting the Capp Street Project Art Work

No. 94-0157

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 8 through 18 were adopted unanimously.

8. Retirement Resolution for Anthony Lopez

No. 94-0158

9. Adoption of Amendment to Airport Rules and Regulations

No. 94-0159 Amendments to Rules & Regs. to clarify language in the Trip Reduction Rule, Section 1.11.0 - 1.11.9.33 to be consistent with Bay Area Air Quality Management District's (BAAQMD) Trip Reduction Requirements. This has already been approved by BAAQMD.

10. Solicit Proposals from Prospective Contractors for Contract No. 2352 Computerized Parking Control System

No. 94-0160 Resolution authorizing staff to solicit proposals to furnish/install hardware, software programs and peripherals for "Computerized Parking Controls System Enhancement" project in accordance with provisions of technical specifications.

Commissioner Strunsky asked if this contract will modernize the method of payment.

Mr. Turpen said that this system has been in place for some time. It is continually upgraded as improvements come along. He said we are looking for a new contractor to install it.

Mr. Sheldon Fein, Assistant Deputy Director, Landside Operations, said that some of the equipment has been in place for seven or eight years. We do about 6-million transactions a year, so many of the gate arms have to be replaced. In addition we want to upgrade the computer system that was installed eight years ago and the new enhancements that go with it.

Commissioner Strunsky asked if this will allow for speedier credit card processing.

Mr. Fein responded that it includes credit card processing with a direct on-line system. It also ties together the license plate inventory and will control any type of ticket pass backs.

Mr. Fein said that Cerand and Company did the design.

11. Award Contract 3069C - Garage Waterproofing Repair, Phase I Coating

No. 94-0161	Resolution awarding Contract 3069C, Garage Waterproofing Repair, Phase I Coating to Western Waterproofing Co. in the amount of \$1,745,214.00.
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12. Award Contract No. 3059B - Terminals Fire Alarm System Renovations

No. 94-0162	Resolution awarding Contract 3059B, Terminals Fire Alarm System Renovation to Millard Tong Construction Co., in the amount of \$359,000.00.
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13. Award Contract No. 3291 - North Terminal Apron Reconstruction

No. 94-0163	Resolution awarding Contract 3291, North Terminal Apron Reconstruction to Inter-Coastal, A Joint Venture, in the amount of \$307,800.00.
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14. Bid Call - Contract 3354 - Airport Underground Utilities Repairs 1994-95

No. 94-0164	Resolution approving the scope, budget and schedule for Contract 3354 and Minutes, July 19, 1994, Page 12
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authorizing the Director of Airports
to call for bids when ready.

15. Renewal of the Airport Information Booth Agreement

No. 94-0165 Resolution recommending renewal of the Agreement with Polaris Research and Development to operate the Airport Information Booth Program, effective October 15, 1994 thru October 14, 1995.

Mr. George England, Luxor Cab Driver and representative of the United Taxicab Workers, asked the amount of the new contract.

Mr. Turpen responded that it is \$1.2-million.

Mr. England said that he has a June, 1993 letter that states that in 1992, the first month of operation, the three booths assisted 900 people daily. That number breaks down to 18 people an hour. He said that he disputed that figure then and still disputes it.

Mr. England said that he goes into the terminals often, but spends most of his time in the holding lot waiting for a fare back. He pays a lot of what he earns to somebody else as an independent contractor before he can make a living for himself.

Commissioner Jeanpierre did not believe that was statistically valid.

Mr. England said that it is part of the problem. If we weren't paying so much in rent we could afford to have customers from the Airport pay a lot less money to get downtown.

Mr. Turpen told Mr. England that he is paying rent to Luxor.

Commissioner Jeanpierre responded that that is only one aspect.

Mr. England said that the amount of rent they pay in the parking area is questionable. The real issue is that there is a lot of money being paid. He does not believe that there is nearly the number of people that is claimed. The June 1993 letter claims that in a peak travel period of August 1992, 4,000 people daily were seeking information from the booths. That works out to 83 people per hour. He said that he has been in the terminals many times and there is nowhere near that kind of traffic.

Commissioner Jeanpierre said that is still not statistically valid.

Mr. England said that Bill Mandel raised the issue in his column, and the President of Polaris Research and Development responded. He noted that Polaris also does the passenger survey.

Commissioner Jeanpierre asked if Mr. England was suggesting that all of those services aren't necessary and are not benefiting the public.

Mr. England responded that when he was in Seattle there was a rack of brochures that provided ground transportation information.

Commissioner Jeanpierre asked what a non-English speaking passenger did.

Mr. England responded that Seattle provides telephones.

Commissioner Murphy said that he does not view Seattle as a model of how to handle ground transportation services.

Mr. England said that that method provides very impartial information. Impartiality was a concern of Dr. Goosby's when this whole issue was being discussed. Conflicts of interest were to be avoided. He said that Polaris runs the Information Booth and they also do the surveys. This sounds like a conflict.

Mr. England said that taxi fare information is no longer provided in the terminals. The costs of the various modes of transportation used to be posted on boards. Passengers are now directed to Information Booths by signs, 800 numbers, white courtesy telephones. They are somehow convinced that if it is cheaper, it's better. That isn't necessarily so.

Mr. England said that four people paying \$10.00 per person is not necessarily a better deal than \$28.00 for those same four people to travel in a taxicab. If you really want to promote low cost travel, the SamTrans Bus should be encouraged. That only takes about 1-1/2 to get downtown.

Mr. England suggested that the Information Booths should provide the ground transportation alternatives, the carriers and the cost, and let the passenger decide. He said that in all the times he has gone to the Information Booth, only one person has responded in that manner. Everyone else asked where he was going, but never asked how many people were in his party. Then he would be advised to take a shuttle. He was being sold a particular mode of transportation rather than being presented with all the alternatives and letting him decide.

Mr. England asked that the dissemination of information be done in a fair manner.

Commissioner Strunsky said that Mr. England raises an interesting point. He asked if the Airport has any input into the way information is provided.

Mr. Fein responded that Landside sets up the information that goes to the Information Booths, Traveler's Aid and Bay Area RIDES. The first question they are supposed ask is which county the passenger is going to. The passenger is then given a sheet of paper with ground transportation information relative to that County. Those alternatives are rotated on the sheet every month so that each alternative will appear at the top of the list over time.

Mr. Fein said that he will provide this information to the Commission. He said that the Airport has received very supportive feedback on this information.

Commissioner Mattison said that the Information Booths have been a tremendous success. He noted that they are also our largest MBE contract. He thought they were doing a good job and that we were getting our monies worth.

Commissioner Strunsky assumed that the Information Booths were giving out more than ground transportation information.

Mr. Fein said that the Information Booth works with the Chamber of Commerce and local hotels to provide information.

Mr. Turpen said that this is a growing service. As the needs became evident, the offerings were expanded.

Commissioner Jeanpierre said that it doesn't make any sense for Information Booths to recommend a particular mode of transportation. He asked Mr. Fein to follow up on that.

16. Resolution Ratifying Personnel Actions

No. 94-0166

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

17. Travel/Training for FY 1994/95

No. 94-0167

* * *

H. PUBLIC HEARING:

The public hearing was convened at 10:09 AM and closed at 10:10 AM, there being no requests from the public to speak.

18. Hearing on Garage Parking Rate Increase

* * *

I. NEW BUSINESS:

The Commission had no new business to discuss.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

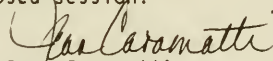
The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(a) to discuss the following existing litigation: CCSF v CCAG; CCSF v Cohn (Venturelli); Allders International, Ltd. v Airports Commission, CCSF; and, Government Code Section 54956.9(b)(1) to discuss anticipated litigation (unspecified to protect service of process); and, Government Code Section 54957 to discuss personnel matters.

The Commission decided that it was not in the public interest to disclose the nature of their closed session discussion.

* * *

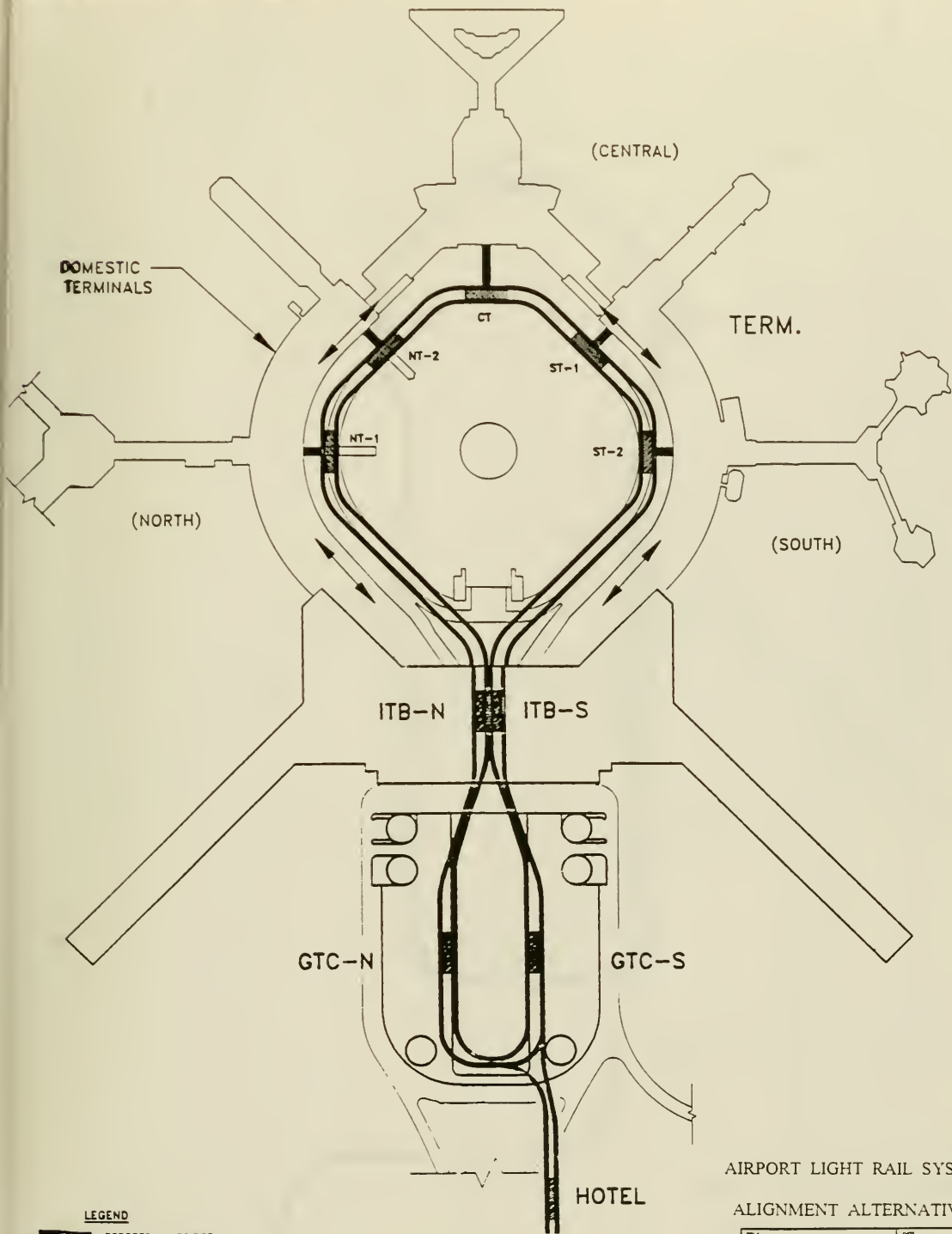
L. ADJOURNMENT:

There being no calendared business before the Commission the meeting adjourned at 10:10 AM to go into closed session.


Jean Caramatti
Commission Secretary



SAN FRANCISCO INTERNATIONAL AIRPORT

AIRPORT LIGHT RAIL SYSTEM



AIRPORT LIGHT RAIL SYSTEM
ALIGNMENT ALTERNATIVE 1

LEGEND

-  PEDESTRIAN BRIDGE
-  SINGLE LANE GUIDEWAY
-  STATIONS

0 50' 100' 200'

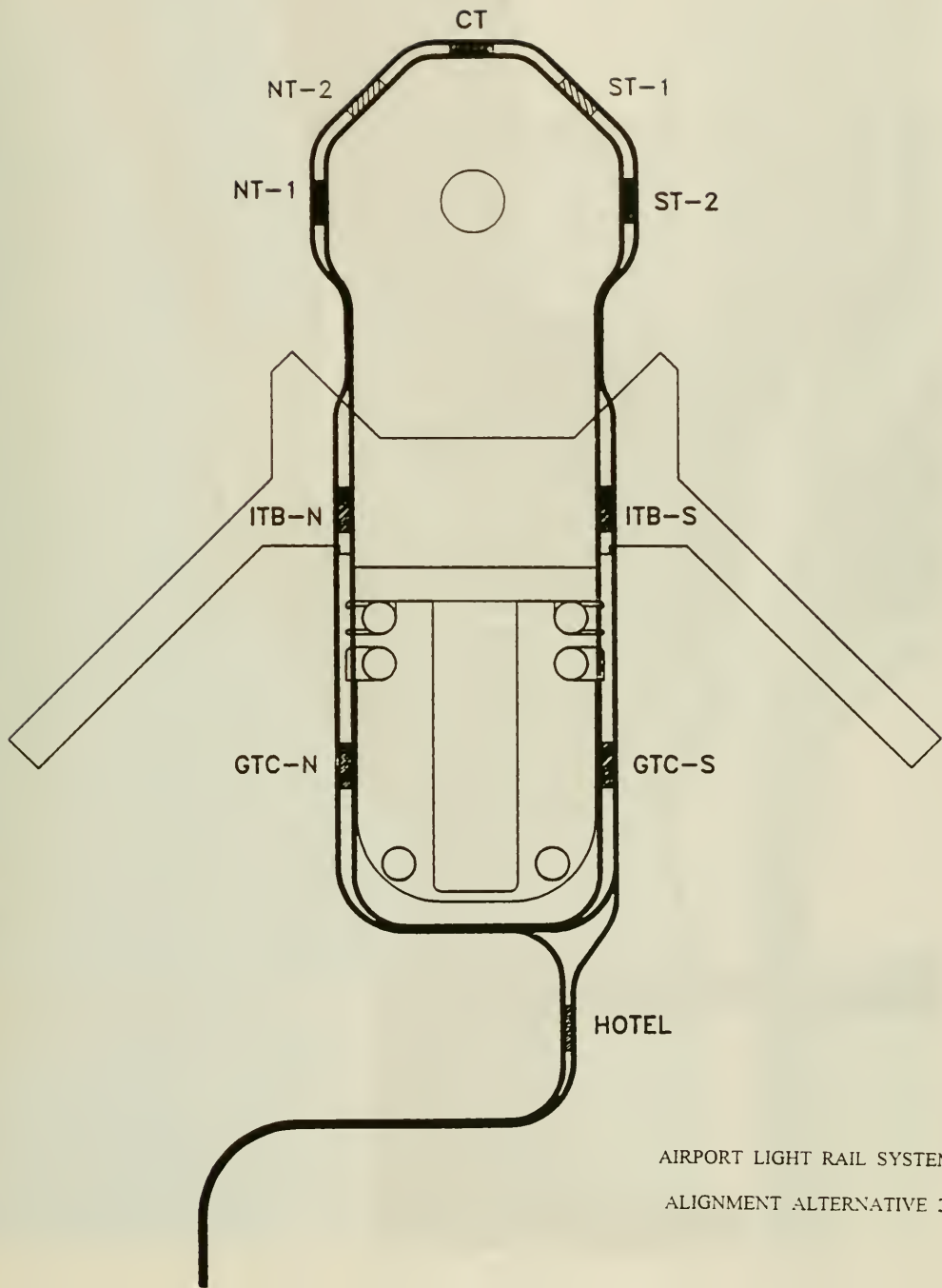


THE
SIDE-OF-SIDE GUIDEWAY
CONFIGURATION

DATE
1994

Lea+Elott

FIGURE
DRAFT



AIRPORT LIGHT RAIL SYSTEM
ALIGNMENT ALTERNATIVE 2





94

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

AUGUST 16, 1994

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President

J. STANLEY MATTISON
Vice President

L. ANDREW JEANPIERRE

MARIE K. BROOKS

MICHAEL S. STRUNSKY

LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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of the Minutes
Airports Commission

August 16, 1994

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Minutes
of the
Airports Commission Meeting

August 16, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: J. Stanley Mattison, Vice President
L. Andrew Jeanpierre
Marie K. Brooks
Michael S. Strunsky

Absent: Patrick A. Murphy, President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 16, 1994 were adopted by order of the Commission Vice President.

No. 94-0169

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced the unanimous adoption of resolution no. 94-0168 regarding the settlement of litigation entitled CCSF v Cohn (Venturelli) at the closed session of July 19, 1994.

* * *

E. DIRECTOR'S REPORTS:

1. Report on Home Insulation Program under the Memorandum-of-Understanding - Oral Report

Mr. Lou Turpen, Airport Director said that the Commission committed \$120-million under the MOU for home insulation in what is commonly referred to as the 1983 noise contour. Approximately 10,000 homes were estimated to be in that contour. When negotiated in late 1992, the approximate cost of insulating each home was \$12,000. The program is now underway in San Bruno, Millbrae, Daly City, Pacifica, and So. San Francisco. Each community monitors its own program. The requisite easements are being submitted to the Airport for processing.

Mr. Turpen said that the program is progressing well. A significant amount of Federal funding was received, as anticipated. The Federal Government wants us to revise our noise maps. The implication of a new map is that it will contain fewer than 10,000 homes. However, that won't alter the Commission's commitment and obligation to insulate homes in the impact area up to a maximum level of \$120-million.

Mr. Turpen said that the cost of insulating homes is running higher than the original estimate. The \$120-million cap is in place but the spectre that we won't reach the 10,000 homes presents itself. Further, over the last 10 years that number has probably increased somewhat.

Mr. Turpen said that we intend to continue the program. The homes closest to the Airport are most impacted and will be insulated first. We will continue with the program to the extent that Federal funds are available and, regardless of Federal funding, to the extent that the \$120-million permits.

Mr. Turpen said that the Commission has always indicated a willingness to look beyond that initial commitment. At some point, within the next six months to a year, staff will return with a follow-on program.

Commissioner Mattison asked who would monitor the program sequencing.

Mr. Turpen said that the Airport's commitment and understanding with the cities was that we would work closest in/out, as required by the State variance. We have that commitment from the cities. He explained that each city is required to present its complete program to the Airport. The speed with which they accomplish that program is within their control. Most cities are attacking everything up to and beyond the 65 cnel, and submitting easements.

Mr. Turpen said that he will file reports with the Commission at appropriate times, probably within the next three months. It will most likely be next spring before we have a handle on this and know where we want to go long term.

Commissioner Strunsky asked if the Airport will insulate homes outside the new noise contour, and if the Federal government will participate.

Mr. Turpen responded that we will, but the Federal Government will not fund homes outside the new noise impact boundary. The noise impact boundary currently on the books contains 10,000 homes. There is no Federal requirement to update that noise impact boundary.

Mr. Turpen said that San Francisco International Airport was the first Airport to qualify for Federal funding to local communities based on filing its map 1982. The Federal Government has said that they would

not provide any funding until they see a new map from us. There is a lot of competition for funds and they are requiring every municipality to file accurate maps. We will be filing a new map within the next few weeks to few months.

Commissioner Mattison asked Mr. Turpen what he thought the number of impacted homes would come to under the new noise map.

Mr. Turpen guessed that it would be 5,500 at most.

Mr. Turpen said that the Commission committed \$120-million in the MOU and received credit for that commitment of funds, regardless of the source. If the Feds throw money into the pot, it goes against the \$120-million commitment. On the other hand, the Commission committed to providing a safety net of up to \$120-million to insulate 10,000 homes.

Commissioner Strunsky asked if this was included in the Master Plan budget.

Mr. Turpen responded that it is not.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Brooks asked about Pacific Airporter and the status of the alleged complaints.

Mr. Turpen responded that Pacific Airporter couldn't meet their schedule.

Mr. Sheldon Fein, Assistant Deputy Director, Landside Operations responded that he and Mr. Turpen met with Pacific Airporter approximately one month ago. Pacific Airporter indicated at that time that they did not have enough equipment on hand to keep on their schedule if a bus broke down. Pacific Airporter has reworked its schedule and reduced the number of buses they need so that they can accomodate their scheduled service.

Mr. Fein said that staff will continue to monitor Pacific Airporter's operation.

Mr. Turpen added that if there are further problems staff will have to consider terminating their permit to operate. Staff believes that Pacific Airporter can meet its new schedule with their available equipment.

Commissioner Strunsky said that he recently had a conversation with the Director regarding providing the Commission with a Master Plan budget and commitment status report which would indicate how much money is committed against that budget for each of the Master Plan item to be approved. He said that the Director has indicated that all future Master Plan items will be accompanied with a budget analysis.

Commissioner Mattison liked the idea. He suggested a road map that will not only look at future items, but those that have been approved as well.

Mr. Turpen said that he will try to provide the information in a graph format.

Commissioner Strunsky hoped that it will not be so schematic that it is difficult to follow. He would like to see a Lotus spread sheet with each line item, a budget commitment, cost-to-date.

Mr. Turpen said that a draft will be filed in the next couple of weeks for the Commission's approval.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item no. 1 was unanimously adopted as amended.

2. Award of Professional Services Contract - PB/MC, A Joint Venture of Parsons Brinckerhoff Quade & Douglas, Inc. and Manna Consultants, Inc.

No. 94-0170

Resolution to approve budget and award Professional Service Contract to design In-bound & Outbound Ramps & Structures in the amount of \$11,000,000 to PB/MC (J.V. of Parsons Brinckerhoff Quade & Douglas, Inc. and Manna Consultants.)

Commissioner Strunsky said that there is a mathematical error of \$1-million in the contingency allowance. The Commission should be awarding a \$10-million contract, not an \$11-million contract.

Item no. 3 was put over to the end of the calendar.

3. Award of Contract 5826A - Plot 41 Hardstands, Phase A

Resolution awarding Contract 5826A to Granite Rock Company/JMB Construction, A J.V., in the amount of \$6,187,805.00.

Item no. 4 was unanimously adopted as amended.

4. Award of Concession Agreement for the Operation of Limousine Service

No. 94-0172

Resolution awarding a concession agreement to operate a Limousine Service to Limousine 2000, Private, Share-Ride and Sedan Service, a joint venture between (a) Airport Meridian Limousine and (b) Airport Commuter Limo and Sedan Service.

Mr. John Martin, Deputy Director, Business and Finance said Limousine Minutes, August 16, 1994, Page 7

2000, a joint venture, submitted the high bid of \$277,000.00 as an annual guarantee for this three year lease. Under the lease, the operator is required to have qualifying experience in owning and managing a fleet of 10 limousines. The joint venture has submitted documentation that they have operated a fleet of 19 limousines for the past three years.

Mr. Martin explained that this is a new joint venture and they have applied for a CPUC permit to operate as such. They have 60 days under the terms of the lease in which to receive CPUC approval.

Commissioner Mattison noted that their commencement date is August 22.

Mr. Martin explained that this is a turn-key operation. New phones and chairs can be installed August 22 in each of the four limousine lounge areas and they are ready to begin operation at that point.

Mr. Gary Baca, General Manager of Associated Limousines said that he is contesting award to Limousine 2000. He said that the bid package requires that the successful bidder must meet certain criteria. He questions Limousine 2000's qualifications.

Mr. Baca said that he has called and written Airport staff, but to no avail. The PUC's public records on the winning bidders TCP numbers, their DBAs, their equipment lists, their quarterly reports and their histories were researched. The PUC, which is the sole governing body for the limousine industry, provided them with enough evidence to continue to question the qualifications of this group. He said that he continued to call, write, document and present this information to the Airport staff for verification, but to no avail.

Mr. Baca said that Limousine 2000 and the joint venture partners submitted affidavits from other ground transportation companies in an attempt to compensate for their lack of experience, qualifications and equipment in order to meet the bid requirements. He feels that affidavits should not be acceptable evidence unless they become public information and their authenticity verified.

Mr. Baca asked that the Commission not award to Limousine 2000 until they can provide the Airport with PUC documentation proving that they meet, both individually and collectively, the bid requirements.

Mr. Baca said that the Airports Commission exists to serve the public and it is critical that contract awards for transportation services go to companies that are experienced, qualified and in good standing with the PUC.

Mr. Baca requested that the affidavits be held as invalid unless they become public information and their authenticity and validity can be verified. Secondly, that the award be put over until PUC documentation can be provided confirming Limousine 2000's qualifications.

Mr. Daniel Baker, representing Limousine 2000, said that it was his understanding that Airport staff has received assurance from the PUC that Limousine 2000 was qualified to bid on this contract.

Mr. Baker said that both Airport Meridian Limousine and Airport Commuter Limousine Service, part of the joint venture, have had PUC authority for a number of years. They have been planning for this bid for the past five years and they have done everything possible to be fully qualified.

Mr. Baker said that on September 1, according to the Administrative Law Judge, Airport Meridian will receive permission to provide the share-ride service between the seven counties and SFO.

Ms. Marie Davis, President of Limousine 2000, said that she has been office manager of the TCPs in question for the last six years. She resents the allegations that they are not qualified. She spends her day taking reservations, dispatching and controlling all of the vehicles. She not only has PUC documentation but she has a recent video of them all working together at a 10-limousine wedding in Oakland.

Ms. Davis said that she has worked very hard over the last five years to ensure that her documentation was in order. She knows that her company will do a good job. If she had had the operation for the last six years she wouldn't be worried about losing the contract. She believes that her operation will benefit the Airport.

Mr. Martin said that staff has obtained affidavits from three of the limousine companies confirming that the joint venture partners in Limousine 2000 are operating and managing. The two joint venture partners together operate five vehicles of their own and manage 14 vehicles from other companies. They both have PUC permits on file for their own operations but do not yet have a permit for the joint venture. They can provide all of the services required under the lease on an immediate basis beginning on August 22. They are awaiting a permit for the share-ride match service, which is an optional service under the lease.

Commissioner Mattison said that the PUC records only document owned vehicles, not vehicles that are managed. Associated appears to be focusing on PUC records but not necessarily on other supplemental documentation that staff has apparently tried to review.

Mr. Martin agreed. The PUC does not keep records on who manages or operates limousines. They only keep the records on ownership and permits to operate limousine service. The management issue is the missing link in the PUC files. Staff attempted to cover that missing link by obtaining affidavits from the limousine owners.

Commissioner Brooks asked if the share-ride permit the joint venture is awaiting is critical, and, are we assured that they will be able to obtain it.

Mr. Martin responded that it is listed as an optional service under the lease. The match share-ride matches customers who arrive at different terminals but request limousine service to a particular area. Although it is not a large part of the business, staff does view it as a valuable service for the operator to have.

Commissioner Jeanpierre asked Mr. Martin if he felt comfortable that

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the staff research can withstand scrutiny.

Mr. Martin responded that staff has researched it as well as they can at this time and he is comfortable with it. Staff will continue to perform the due diligence research and follow up on all of the issues and requirements under the lease.

Commissioner Strunsky understood that a bond is required.

Mr. Martin responded that both a bid bond and a performance bond are required.

Commissioner Strunsky asked what the amount of the performance bond would be.

Mr. Martin responded that the performance bond amounts to half of the bid amount.

Commissioner Strunsky asked if this was a reasonable bid, based on our knowledge of the revenues.

Mr. Martin said that this was a very strong, competitive bid. In the last eight years we have seen a wide variation on the lease payment due. Eight years ago Associated Limousine submitted a bid resulting in an annual payment of \$450,000. When that lease expired, the successful bidder, Associated Limousine, submitted a bid of just over \$50,000.

Mr. Martin said that the fact that the second bidder was only \$18,000 lower indicates that the bid was not out of line.

Commissioner Mattison said that he was inclined to award but wanted to open a small window to allow for the completion of due diligence. Unless information is uncovered which calls into question the accuracy of the affidavit, which appears to be the sole question, he would vote to award with commencement at the end of the month as opposed to August 22. He would further delegate authority to enter into final contract at that time in the absence of a credible protest. If staff finds something of sufficient importance, the issue can be revisited to the Commission.

Mr. Turpen said that awarding the contract subject to the completion of due diligence would give him an opportunity to review the matter. Staff will return to the Commission if anything arises during due diligence. Mr. Turpen suggested September 2 as the start date.

Commissioner Strunsky cautioned that this is not an invitation to appeal this again. He did not feel as generous as Commissioner Mattison; he would have voted to award effective today.

Item nos. 5 and 6 were adopted unanimously.

5. Reject All Bids - Contract 2326 - Airport Underground Storage Tank - Leak Detection System Improvement - Approve Re-advertisement and Re-bid of Contract 2326R

Resolution rejecting all bids for Contract 2326 and approving re-advertisement and re-bid of Contract 2326R.

Mr. Mel Leong, Assistant Deputy Director for Facilities Operations and Maintenance said that 23 contractors took out specs but only three contractors submitted bids. Two contractors showed up after the bid opening.

Mr. Leong said that Acutite has had other contracts with the Airport. Although they submitted a reasonable bid, they failed to fulfill the MBE/WBE participation. He recommended rejecting all bids because of the \$50,000 gap between the lowest bid and the second lowest bid.

Commissioner Strunsky assumed that Acutite not only failed to meet the goals, they failed to show due diligence to meet the goals.

6. Acceptance of the Walter and Josephine Landor Collection of San Francisco Memorabilia

Resolution approving acceptance of the Walter & Josephine Landor Collection of San Francisco memorabilia & antique packaging items. This gift is valued at approximately \$800,000.

Mr. Turpen said that Mr. Landor was actively involved in the Airport in the late 1970s and early 1980s, during the development of the North Terminal and the first major development of the Airport. This is an excellent opportunity for us and we are very grateful for their generosity.

Commissioner Mattison asked if we knew the scope of the collection and if it is on-site now, or if this just a portion of it.

Mr. Turpen responded that we have a portion of it, but he was not certain that Ms. Cameron had completed her inventory.

Commissioner Strunsky assumed that the cost to store and maintain it is not significant.

Mr. Turpen responded that that is correct. Ms. Cameron understands the limitations of the Airport.

Mr. Martin said that it was his understanding that the Landor Foundation is currently paying \$600 a month for storage of the materials. We plan to continue using that same warehouse.

Commissioner Jeanpierre asked if the collection just had value to San Francisco Airport or does it have value nationally or internationally?

Mr. Turpen said that he did not know but would get that information to the Commission.

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 7 through 26 were adopted unanimously.

7. Award of Professional Services Contract – PSC Associates, Inc.

No. 94-0175	Award professional service contract for site-specific geotechnical design analysis, recommendations & full-time foundation construction monitoring for the new International Terminal Complex projects in the amount of \$850,000.
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Commissioner Strunsky noted that while Item Nos. 7 and 8 appear to be similar in nature, Item No. 8 includes an allowance for drilling and exploration work, but Item No. 7 does not. He asked if we are open to an added cost?

Mr. Gene Bordegaray responded that Item No. 7 was not defined in the same way as Item No. 8 because the scope was for a different subconsultant. The actual drilling and reporting of those specific drill sites are within the scope of that contract, it is just not described in the same way as Item No. 8.

Commissioner Strunsky asked if that included any hazardous waste.

Mr. Bordegaray responded that it does.

8. Award Professional Services Contract – Geotechnical Engineering Services – North Field Cargo Facilities

No. 94-0176	Resolution to approve budget and award a Professional Services Contract for geotechnical engineering services for the North Field Cargo Facilities, to Geotechnical Consultants, Inc., in the amount of \$215,000.
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9. Award Contract 3278A – North Field Security Improvement, Phase I

No. 94-0177	Resolution awarding Contract 3278A to Millard Tong Construction Co., in the amount of \$557,544.00.
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10. Award Contract 3212 – International Terminal Drawings CAD Conversion

No. 94-0178	Resolution awarding Contract 3212 to the Ralph M. Parsons Company in the amount of \$496,544.00.
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11. Award Airport Contract 1563 - Overlay North Service Road at North Oxidation Pond

No. 94-0179

Award Airport Contract 1563, Overlay North Service Road at North Oxidation Pond to Ghilotti Brothers Construction, Inc., in the amount of \$194,825.00.

12. Award of Master Plan Contract for Airline Liaison Office

No. 94-0180

Resolution awarding Master Plan contract for airline liaison services to Airport & Aviation Professionals, Inc.

Commissioner Strunsky asked why we were paying for liaison services for the airlines to monitor the Airport.

Mr. Turpen responded that it will come out of the rates and charges. Roughly \$500,000 will be added to the expense side of the ledger and will directly effect airline rates and charges and landing fees rather than each airline writing a check. The airlines are actually paying for this.

Commissioner Strunsky assumed that this will not be charged against the Master Plan budget; it will be an expense of running the Airport.

13. Resolution Approving Increase in Daily Garage Parking Rate

No. 94-0181

Resolution approving an increase in the daily garage parking rate from \$16 to \$17.

Commissioner Strunsky believed that this raise will discourage people from parking over night. There is essentially no increase in cost as long as the vehicle is parked no more than six hours. He thought that the people who come to the Airport to pick up passengers would have a two-hour window. Why are we going all the way up to six hours?

Mr. Martin responded that we have always attempted to keep the rates low and competitive for short term parking to discourage people from circling the roadway to meet their arriving passengers. Very few people park in the time period of three to six hours. The real revenue potential we receive from raising rates is either one to two hours or parkers who park all day.

Commissioner Strunsky asked why not raise the rates for the increments of four to five and five to six as well?

Mr. Martin responded that part of his concern was having increments of more than \$3.00 and stepping up the rate such that for parking an extra 10 minutes a passenger would be paying more than \$3.00 extra. Further, the dollars generated would not be significant.

14. Modification to Bond Counsel Contract

No. 94-0182

Resolution approving modification to contract with Orrick, Herrington & Sutcliffe/Pamela S. Jue for Bond Counsel Services.

Commissioner Strunsky asked if Bond Counsel fees were part of the Master Plan budget.

Mr. Martin responded that they are not included in the Master Plan budget.

Commissioner Strunsky argued that they are costs incurred in doing the project.

Mr. Martin responded that in terms that the \$2.4-billion equates to the capital projects and the A&E, but the miscellaneous fees that we incur are not included as a part of that Master Plan program.

Commissioner Strunsky asked if this is against our 1994-95 budget.

Mr. Martin responded that we have a general capital fund budget for some projects and costs not included as part of the Master Plan, such as many projects under Facilities Operations and Maintenance. That is where these costs fall.

Commissioner Brooks thought that this was something that we would be doing even without the Master Plan.

Mr. Turpen added that we finance our entire capital program from revenue bonds. We stopped funding out of current revenues back in 1981 or 1982.

Commissioner Strunsky said that this Bond Counsel cost appears to be for Issue 5 and Issue 6 bonds.

Mr. Turpen said that those are Master Plan bonds.

Commissioner Strunsky said that if we didn't have the Master Plan, we wouldn't have the \$650,000.00 cost.

Mr. Turpen said that Commissioner Strunsky's question is what is the reason in not allocating it against the \$2.4-billion.

Commissioner Strunsky said that he just wants to know what the Master Plan is really going to cost.

Mr. Turpen said that staff will take a look at it and if it is appropriate, staff will make the change.

15. Modification to Contract with O'Brien-Kreitzberg & Associates to Perform Master Plan Programming Tasks and Schedule & Budget Updates

Resolution modifying contract with O'Brien-Kreitzberg to increase contract amount by \$490,000 in order to continue services related to Master Plan programming, scheduling and budgeting.

Commissioner Strunsky said that we talked about a computer modeling simulation so that we understand how the roadways work. He asked if that was included in this item.

Mr. Bordegaray responded that it is.

Commissioner Strunsky asked if the extension was only to the end of this year.

Mr. Bordegaray responded that that is correct. He said that under this particular contract we can take the computer simulation modeling up to a certain stage. When this contract concludes, replacement contracts will pick up the computer simulation model and extend it further during the process of design and construction.

Commissioner Strunsky was concerned that we follow up on this.

Mr. Bordegaray said that we are going to be coming to the Commission in several months when we have the first preliminary tape to give you an idea of the status and what the terminal complex looks like. You will be to see the development of that simulation as we progress.

Mr. Turpen said that the thinking was that a visual presentation on the Light Rail, for example, and how it would interface with the terminal buildings would be effective in helping to understand it.

Commissioner Strunsky said that an additional benefit, since there are so many parts to this, is knowing that people won't be occupying the same space at the same time.

Mr. Bordegaray agreed.

16. Modification No. 2 to Legal Services Contract with Lempres & Wulfsberg to Increase Contract Amount

No. 94-0184

Approve Mod. No. 2 to Legal Services Contract with Lempres & Wulfsberg to increase amount by \$100,000.

17. Modification No. 1 to Legal Services Agreement with Gutierrez & Associates to Broaden Scope of Work in Providing Legal Services to Include General Commercial Litigation

No. 94-0185

Approve Mod. No. 1 to Legal Services Contract with Gutierrez & Assoc. to broaden scope of services to include general commercial litigation. No increase in funding.

18. Resolution Amending Resolution 93-0152 and Approving Legal Services Agreement with Arnelle, Hastie, McGee, Willis & Greene

No. 94-0186

Amend resolution 93-0152 to delete law firms of Arnelle & Hastie and McGee, Lafayette, Willis & Greene at a cost of \$50,000 each and approve legal service agreement with Arnelle, Hastie, McGee, Willis & Greene to provide construction law/litigation services on construction projects, including Master Plan projects at an initial cost of \$30,000.

19. Approval of International Terminal Check-In Facilities

No. 94-0187

Resolution approving curbside check-in facilities and rental credit to United for \$65,000.

20. Approval of Off-Airport Maintenance Storage Warehouse Lease at 350 Harbor Way, South San Francisco

No. 94-0188

Resolution approving City's three-year warehouse lease with one three-year option period between 350 Harbor Way Assoc., a Calif. Limited Partnership, as Landlord and CCSF, as tenant.

21. Bid Call - Contract 3414 - Plots 7 (E, S & N), 8 (E), 10 and 10 (A) - Abatement/Demolition

No. 94-0189

Resolution approving final plans and specifications and authorizing Director to call for bids for Contract No. 3414.

22. Authorization to Conduct Pre-Bid Conference - North Terminal Bookstore Lease

No. 94-0190

23. Amendments to Airport's Conflict of Interest Code

No. 94-0191

Resolution amending Airport Conflict of Interest Code, updating the "Designated Positions" list, the holders of which are required to file annual Statement of Economic Interest Forms.

24. Retirement Resolution - Norman McArthur

No. 94-0192

25. Travel/Training for 1994/95

No. 94-0193

26. Resolution Ratifying Personnel Actions

No. 94-0194

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

I. NEW BUSINESS:

There was no discussion by the Commission.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(a) to discuss the following existing litigation: CCSF v CCAG; Millbrae v Airports Commission, CCSF; Allders International, Ltd. v Airports Commission, CCSF; Government Code Section 54956.9(b)(1) to discuss potential litigation; and, Government Code Section 54956.9(c) to discuss anticipated litigation (unspecified to protect service of process).

The Airports Commission recessed to go into closed session at 9:55 AM and reconvened its meeting at 10:10 AM.

The Commission concluded that it is not in the public interest to disclose the nature of the closed session discussion.

G. ITEMS RELATING TO ADMINISTRATIN, OPERATIONS AND MAINTENANCE:

Item No. 3 was amended to reject all bids and adopted unanimously.

3. Award of Contract No. 5826A - Plot 41 Hardstands, Phase A

No. 94-0171

Resolution awarding Contract 5826A to Granite Rock Co./JMB Construction, A Joint Venture, in the amount of \$6,187,805.00.

Mr. Peter Alhorn, representing Homer J. Olsen said that he would prefer to see an award, but would not object to a re-bid.

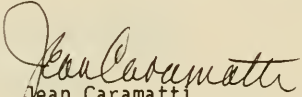
Commissioner Brooks moved to reject all bids. Commissioner Jeanpierre seconded the motion.

Mr. Turpen asked that he be granted the authority to award the contract when the bids are received.

The Commission agreed that they would prefer that the item be brought back to them for award. If the award required a special meeting, one should be held.

L. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:15 AM.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

SEPTEMBER 20, 1994

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LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission
September 20, 1994

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Minutes
of the
Airports Commission Meeting

September 20, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Patrick A. Murphy, President
J. Stanley Mattison, Vice President
Marie K. Brooks
Michael S. Strunsky

Absent: L. Andrew Jeanpierre

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 16, 1994 were adopted by order of the Commission President.

No. 94-0195

* * *

D. SPECIAL ITEM:

Item No. 1 was put over to the meeting of October 4, 1994.

1. Election of Officers

* * *

E. DIRECTOR'S REPORTS:

The following is a verbatim transcript of Item No. 2.

2. Final Recommendation for Airport Light Rail System (A.L.R.S.)

MR. GENE BORDEGARAY (Deputy Director, Bureau of Design and Construction): Back in July you saw a presentation on the Minutes, September 20, 1994, Page 3

preliminary design for the Light Rail System (LRS). Since that time we've done some refinements on that alignment that was proposed to you and we've added some alternates to it to improve the service and perhaps offer some other ways of approaching our service problems.

What I'd like to do is go over with you in general what the alignment is and basically go over some of the alignment alternative matrix chart that we have over here which shows a gradation of how each system serves certain basic design and performance criteria.

(Mr. Bordegaray uses diagrams in his presentation.)

The package you have in front of you have all of this information in it. You have seen this alignment before. It's a dual guideway which goes around the perimeter at the sixth level of the garage. The terminals are fed by bridges at the fifth level, crossing over into the various cores. Initially, we will proceed with three stations, at 'B', 'D' and 'F' and we will fill 'C' and 'E' as the demand requires us to put a station and a cross-over at those points.

You will see where it's a spread system here, instead of where we had a pinched at one time we are now looking at this spread system and this is to better service the International Terminal. It also provides for good connections, if the BART alignment alternative should come in at that location.

There's two different alternatives we're looking at on how to serve the Ground Transportation Center. One is to continue it on the outside of the facilities with two stations at those locations. And one is to come on the inside, like shown there, with two stations at those locations. We are evaluating that through this matrix. We evaluated what the service criteria would be and how it best serves the passenger.

This is in the loop faction and one of the inside loop would be a sort of continuous express system and would just continue operating in that mode, whereas the outside loop can branch off and go in a northerly direction.

What we're doing is branching off and we're going to provide for a stop for the future at that location where we have some major development in the long term plan. But initially we'll come straight through ... this is a planned station which we will not put in until the need is there when we develop this space. It continues along the frontage road, has a stop at where the west cargo development will be and there is other employment activity going on in that location. Another station near the long term parking facility, another station at that end of the long term parking, one over at the United complex, which is very close to the overhead bridge that feeds the Maintenance complex, and a station at this end of their parking lot which is where the 3,000 car parking structure is currently under construction. That ends the first phase at that location. The balance then continues on in the long term phase to go feed a United Airlines parking facility in the back, the ferry service terminal at the seaplane harbor, and then at the general aviation site where the system terminates. This is all a double guideway system so there are vehicles running in both directions along that double guideway.

What you see over there is just a cross-section of what the system will look like. This one is what it would look like along that frontage road that goes back through the main section of the paralleling freeway. The service road along the Airport is R-3 and that's this area here, the viaduct that serves 101 to 380 is here and this is where you can see the elevated Light Rail guideway.

This is a section ... what it would look like at the garage where we have to come across the fifth level with a pedestrian bridge that serves the terminals.

MR. TURPEN: That would be at the mezzanine level of the terminals.

COMMISSIONER MATTISON: That's just like the one in the North Terminal that feeds United.

MR. TURPEN: Basically, yes.

MR. BORDEGARAY: With the Light Rail station and platform above and at each one of those five cores, three initially and then the other two later on.

This is the alignment alternative matrix that we put together which evaluated the different alignment alternatives and basically graded this criteria in terms how it best served the patron of the Light Rail system, the passenger the worker and also has some of the round-trip times. It's color coded so you can get a feel for the green area as the most favorable area, so you can get a feel for this spread, which is the one that I talked about ... this spread alignment seems to offer the best although this one does offer some good qualities in a lot of the different criteria elements.

MR. TURPEN: Cost. Are we still on budget?

MR. BORDEGARAY: Still on budget.

COMMISSIONER MATTISON: What's the targeted headway on the internal express loop that just goes terminal to terminal, around and around?

MR. BORDEGARAY: We're between 90 seconds and two minutes on that.

COMMISSIONER MATTISON: And the time for an entire loop?

MR. BORDEGARAY: Just to go around the entire terminal complex?

COMMISSIONER MATTISON: Right. The interior loop.
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MR. BORDEGARAY: The round trip time is 11-minutes; maximum trip time is 18-minutes. That would be going out to the ...

COMMISSIONER MATTISON: I'm talking about the terminal loop; if you're trying to just change terminals to catch a connecting flight, that sort of thing.

MR. BORDEGARAY: Yes. If you were to get on any one of the stations you could make the entire loop in 11-minutes.

COMMISSIONER STRUNSKY: A couple of questions in no particular order. Will we utilize one of the United bridges? Is that how people will get to one of the stations, or will these be three new connections to the terminals?

MR. BORDEGARAY: They have to be new connections. We're going to try and utilize as much of that as we can, but they have to be new because the existing do not match up with that level of the garage. So we will have to alter the existing bridge that is at the North Terminal now.

COMMISSIONER STRUNSKY: It would be one bridge that would be altered and then there will be two new bridges?"

MR. BORDEGARAY: Yes.

COMMISSIONER STRUNSKY: Are those bridges included in the \$285-million budget?

MR. BORDEGARAY: Yes.

COMMISSIONER STRUNSKY: "So, the \$285-million is the system, the track, signals, controls, the whole thing, right?"

MR. BORDEGARAY: Right.

COMMISSIONER STRUNSKY: Are these unmanned trains?

MR. BORDEGARAY: Initially, yes. They're being designed and can be totally automated, although we will man them for a period of time until we build up the confidence level that they can operate unmanned. That is a policy decision the Airport and the Commission will make.

COMMISSIONER STRUNSKY: So, for a period of time there will be a higher operating expense.

MR. BORDEGARAY: Yes.

COMMISSIONER STRUNSKY: You indicated that service might begin in 1998, four years from now. At that time the International Terminal won't be done.

MR. BORDEGARAY: We're going to time the operation of the system to when the International Terminal is done. So, in (interrupted)

COMMISSIONER STRUNSKY: So it won't be open before the International Terminal.

MR. BORDEGARAY: Not for service. We'll probably have it open for testing purposes but not for actual service.

COMMISSIONER STRUNSKY: I wasn't aware that the International Terminal was going to be ready in 1998.

MR. BORDEGARAY: We're phasing the opening of the International Terminal, although portions of it will open later than 1998, but the main functional areas, in order to get the Boarding Area 'G' and the departures and arrivals levels operating, will done in 1998.

COMMISSIONER STRUNSKY: Are we entering on anything here that might be considered a kind of new technology that Denver has experienced in their baggage handling system. Is that a ... one of the things I think this Commission ought to be assured of in some way is that this isn't cutting edge technology or anything that might result in the same kind of disaster that Denver has experienced.

MR. BORDEGARAY: Actually, there's sort of two sides to that question. One, of course is the baggage side. And I can address both of these. And the other is the Light Rail System.

COMMISSIONER STRUNSKY: No, I was talking about the Light Rail System.

MR. BORDEGARAY: Actually on both issues though, let me assure you that the direction has been very clear that we are going to be providing a system which is customized to the Airport but definitely an off-the-shelf technology that's been proven. We won't be the proving ground for any innovative systems or controls or anything like that. We will be choosing systems that are tried and true.

COMMISSIONER MURPHY: My impression for that, the internal loop is conceptually very similar to SeaTac, which is an unmanned little train that comes every two minutes.

MR. BORDEGARAY: Yes.

COMMISSIONER MURPHY: Again, it has to be adjusted to this Airport and the needs here might be somewhat different. The technology is nothing fancy.

MR. BORDEGARAY: The technology has been there. There's been improvements to the technology but we're not going to the sort of the R and D side of it and trying to do something new. We're trying to take the best that we know so far and use that.

COMMISSIONER MURPHY: Something that's proven somewhere else, or maybe several somewhere else.

MR. BORDEGARAY: That's right. In fact, that's going to be some of the criteria on how we go about choosing a technology is that it has been tried and proven.

COMMISSIONER STRUNSKY: I just want to go back to the bridges. So these trains will arrive at the sixth level of the garage and people will go up or down?

MR. BORDEGARAY: They will go down through the center platform to the bridge level, cross the bridge into the mezzanine level of the terminals.

COMMISSIONER STRUNSKY: And, into the mezzanine level ... is that the same level that the United bridges hit?

MR. BORDEGARAY: Yes.

COMMISSIONER STRUNSKY: So that will be one level above the departure level. So, somebody coming off ... getting their bags at the arrivals level would have to go two levels up. Will we have moving sidewalks? And one of those will replace the United bridge? Will we keep the other bridge at American Airlines?

MR. BORDEGARAY: Yes. The two bridges, initially, we have to replace that bridge or replace that portion of it that we need to in order to tie this together. When this station comes in, at that time we'll look at altering that bridge.

COMMISSIONER STRUNSKY: But the bridge ... can the bridge stay with ...

MR. BORDEGARAY: Yes, but it has to be lowered; it's too high ...
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COMMISSIONER STRUNSKY: And then there will be a new bridge at what we currently call the International building, whatever that's, the North Terminal.

MR. BORDEGARAY: Right. The Central Terminal.

COMMISSIONER STRUNSKY: That will be a new bridge which also will arrive at sort of a new level cause that doesn't have a mezzanine. And then there would be one over by USAir, which is also a new bridge.

MR. BORDEGARAY: Right here at Boarding Area 'B'.

COMMISSIONER STRUNSKY: So we've got all the construction, all the rail cars for \$285-million.

MR. BORDEGARAY: Yes.

COMMISSIONER STRUNSKY: That's everything except the operating drivers and maintenance crew. Does this include the maintenance yard building? That building down there?

MR. BORDEGARAY: Yes. We've allowed out of that \$285-million there is \$15-million allowed for the maintenance yard track.

COMMISSIONER BROOKS: Under the BART connection terminal station underground, just west of the ITB, would you tell us again how that would ...

MR. BORDEGARAY: Yes. What we've done is we've designed the verticle transportation elements between the proposed BART alignment (at this location right here). It's underground just west of the front base of the new International Terminal. So, what we've done is we've tied the verticle cores, the transportation cores, elevators, escalators and stairs through the building to get up into these areas of the International Terminal where you could catch the Light Rail System. So we've coordinated at least that interface so that if BART does come at that location we've already accommodated them as far as interfacing for the transportation elements get to the various level.

We have got an off-shoot here which is a future expansion. It's alternative which we will look at if you want to serve mass transit it would choose at some time, whether BART is here or not, we may want to look at, some time, whether we want to serve a mass transit station there in terms of CalTrain or SamTrans. So we're building into the system the flexibility of doing that at a future date.

COMMISSIONER BROOKS: Makes sense.
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MR. TURPEN: Actually, what we're looking at is a loop which will go through the entire West of Bayshore property and take advantage of that whole 180 acres and maybe tie it back in over by United. That eliminates some elevation problems coming over the viaduct. It makes more sense in terms of trying to increase the utility of piece of property in general.

COMMISSIONER BROOKS: Makes sense.

COMMISSIONER MATTISON: When will you target a review of the rolling stock technology in terms of which sorts of systems, rail or soft tire, rubber tire, what kind of ...

MR. TURPEN: We expect to come back to the Commission with that recommendation.

MR. BORDEGARAY: Tom Kardis is our project manager for the Light Rail System and Tom has been working up on the schedule. Can you answer that question, Tom?

MR. KARDIS: The proven technologies are, all three, rubber tire, steel on steel and monorail. It is likely ... that's all dependent on ridership analysis that is being completed now ... it is likely that the rubber tire technology is going to be the one that shares the interest of the overall complex the best.

It is primarily a capacity issue and a noise issue. Although steel on steel offers some operational flexibilities which are very appealing from the technical point of view, it may be that the rubber tire is the one to choose in order to limit the noise level in the complex.

They are all proven technologies and have been around for 10-15 years each.

COMMISSIONER MATTISON: Are there issues with the monorail technology that make it kind of a second or third choice.

MR. KARDIS: It is capacity combined with some geometric restrictions we have. We cannot make the trains too long because of the very restrictive ... (unintelligible) ... we have in the domestic terminals. That is primarily the conflict.

COMMISSIONER MATTISON: So that doesn't buy you any space efficiencies. It pretty much all fits in the same right of way.

MR. KARDIS: That's correct.

COMMISSIONER STRUNSKY: Intuitively, more than anything else, I think your budget is very ... if you're including all of the construction of the railway system, guideways or whatever they're called, bridges, stations, the escallators, moving sidewalks, the trains themselves, the maintenance station, my sense is that's an awful lot of stuff for the budget. Have we gotten any independent estimates that lead to this budget of \$285-million. I know it's a conceptual system and I know that ... are we plus or minus 10 percent? Are we plus or minus? What do you think is the range on the budget? I would hesitate to vote for this system and then suddenly find that we've got a \$500-million system a year or year-and-a half down the road.

MR. BORDEGARAY: The \$285-million is for the near term phase of the project. There is also \$111-million for the ... (interrupted)

COMMISSIONER STRUNSKY: I'm talking about the near term phase. I'm talking about down to United Airlines.

MR. BORDEGARAY: We have not done yet an itemized engineering estimate like you're talking about in refinements because we don't know enough yet to do that. As we get through the refinement of the alignment and based upon the demand, how much rolling stock we need, then we can better refine what those estimates are. We'll be doing that and and coming back to the Commission with some more accurate numbers. Some of the station work will be incorporated into the buildings themselves, such as in the GTC and in the International Terminal, so some of the cost that you might be thinking are more Light Rail costs are really costs that are in the buildings themselves. So, there's going to be A sort of a shared expenditure between the Light Rail System and in the buildings where the stations interface.

COMMISSIONER STRUNSKY: I can understand that in the terminal and the GTC, but there's still three stations around the loop, three bridges, all the stations down to end of Phase 1 to the North. I would hope that any approval this Commission might give would be contingent upon the budget. I don't want to get into a system here that is \$500-million really, the Commission approved that back on September 20, 1994.

MR. BORDEGARAY: What we'll be doing over the next month to month and a half will be finalizing what the system actually has as far as the rolling stock and the control systems and the power supply. Once we've done that, we'll put together a list of all of the costs, come back to you and go over that with you one more time.

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MR. TURPEN: Thank you.

COMMISSIONER MURPHY: Anything else on this issue? Okay.

3. Recommendation Relating to the Current Shuttle Bus Agreement Extensions

Mr. Turpen said that with the projected opening of the international arrivals building, Boarding Area 'G' in 1998, he believes it's prudent to exercise the current contract extension option.

Commissioner Murphy agreed.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky noted that an Airport Update Bulletin recently put out by the Director, with Commissioner's names listed, talks about the Light Rail System and "a free train service will connect the terminals, rental car facilities, Ground Transportation Center, hotel, remote parking lot, aircraft maintenance and cargo facilities and a possible future mass transit station West of Highway 101." He said that he has some trouble with the Airport and this Commission talking about a future mass transit West of Highway 101 when the voters and the Mayor, via Proposition I, said that the BART station should be East of Highway 101. He hoped that this is not a Commission policy in the face of the voter mandate.

Commissioner Murphy said that he saw the Update but interpreted it differently. He didn't read it to mean BART station; he read it to mean mass transit facility. It's the little dotted line that may or may not ever amount to anything. He said that he did not share Commissioner Strunsky's reaction. We are still in a dialogue with the Joint Powers Board, Caltrain and SamTrans concerning connections across the freeway. He did not view it as back sliding on the location of the BART station.

Commissioner Mattison agreed. He said that possible planning flexibility has been in the cards for a long, long time and he didn't see anything inflammatory or sinister about acknowledging it.

Commissioner Strunsky said that when you speak of mass transit but don't include BART, he has trouble interpreting it.

Commissioner Murphy understood how it could be misinterpreted but we have dealt with the term "mass transit center" for a long time and it is not synonymous with a BART station.

Commissioner Mattison believed that a good deal of the rhetoric that ensued leading up to the voters decision regarding the BART station involved the evaluation of possible secondary mass transit service West of Bayshore and the BART station at the International Terminal. A secondary station West of Bayshore would help commuters, particularly the on-site employee force. It is consistent to keep acknowledging those planning possibilities.

Commissioner Strunsky thought that the stations would have a cross platform or some form of transfer at either Millbrae or Tanforan in most of the rhetoric. He said that as long as this Commission is not pointing towards a mass transit station with BART West of the freeway, he is comfortable.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item nos. 4 through 9 were adopted unanimously.

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The following is a verbatim transcript of Item No. 4.

4. Award of Contract No. 5826AR - Plot 41 Hardstands, Phase A

No. 94-0196

Resolution awarding Contract 5826AR,
Plot 41 Hardstands, Phase A to the
lowest responsible responsive bidder.

MR. JACKSON WONG (Deputy Director, Facilities Operations and Maintenance): This project is to construct new hardstand parking for overnight parking for United and other tenant airlines that will be displaced due to the expansion program. The previous action taken by the Commission on this project was to reject all bids on the first round and for staff to readvertise for re-bid. We're here today for the re-bid and the staff recommendation to award the contract to Granite Rock Construction and JMB Construction, a joint venture.

HRC has reviewed the affirmative action submittal from this contractor and they have determined that this bidder is in compliance with pre-bid and pre-award requirements.

COMMISSIONER MURPHY: Michael Willcoxon.

MR. MICHAEL WILLCOXON: Good morning, members of the Commission. My name is Michael Willcoxon and I'm here to speak on behalf of the Oliver De Silva/Esquivel joint venture. Our joint venture submitted a bid for the work of \$6.115-million, I'm dropping off the small change, and we applied for a 10 percent preference. My understanding is that HRC is recommending that we not be awarded a 10 percent preference. I'm here to speak to that issue this morning. I'm not going to repeat the issues that we raised in our various letters to the Commission and to the HRC and to Ms. Rosales. I also have with me today Mr. Ralph Esquivel who is the joint venture partner who will be performing 61 percent of the joint venture's work on this project should we be awarded the contract.

Some simple arithmetic ... if we are awarded the 10 percent and the other bidders, at least the first four bidders, are not awarded the 10 percent preference, but rather be awarded a 7.5 percent preference, we would be low on this bid.

What we did, we bid on the job the first time and I appeared before the Commission when the decision was made to reject all the bids ... and the focus there ... my comments were focused on requiring the joint venture to specify in detail the work that is going to be performed by the joint venture partner. That was adopted in some modification I understand with HRC Form No. 4. Our focus was, and our negotiation with our joint venture partner, our focus was to make sure that Mr. Esquivel's company was going to perform substantially more than 51 percent of the work that the joint venture was going to be performing. In other words, under the calculations under the HRC form, we deducted the subcontractors which represent approximately \$2.3-million and there was a balance of roughly \$3.8 million, of which Mr. Esquivel's firm is going to perform \$2.347-million worth of that work ... over 61 percent of that work he's going to perform.

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In negotiating the joint venture agreement with Mr. Esquivel, he had certain requests of us ... he asked that we take care of managing the subcontractors and he also asked that we take care of signing the routine paperwork. That was the reason for our being designated as the agent for the joint venture for purposes of executing documents. When you designate an agent you're not divesting yourself of authority to sign contracts. So, the argument that's been made that Esquivel couldn't even sign the construction contract is incorrect as a matter of law. It was an accommodation to Mr. Esquivel's company that we entered into these particular arrangements to manage the subs and also to handle some of the routine paperwork with our own signature.

Frankly, I think that we were forwarding or advancing the purpose of the affirmative action program and the preference program by making accommodations for Mr. Esquivel's company so that he could participate and perform this amount of work. If you compare the participation that Mr. Esquivel will have in this contract with that of any of the other local MBE or WBE contractors involved in joint ventures, Mr. Esquivel's participation is much, much greater.

There have been some questions raised about his qualifications. Mr. Esquivel will speak to those himself.

What I understand from discussions that I've had with members of your staff and your attorney is that the concern is focused on the control and management of the subcontractors. Again, in a project of this type if you were to put a value on that construction management function it would be approximately 5 percent of the subcontractors work. Five percent of \$2.3-million, which is what the subcontractors are going to do on our project, is approximately \$100,000. Even if you add that to our side of the ledger, Mr. Esquivel is still well above 51 percent.

I think what we have here is a ... not that the reading of HRC is an unreasonable reading, I'm not going to argue that today. What I'm saying is that our reading of the joint venture requirements is based on what we were told in the process of bidding the job the first time and in re-bidding it. Our focus was on the amount of work that Mr. Esquivel's company was going to perform as a percentage of the joint venture work. That was our focus and he's performing 61 percent of the work.

COMMISSIONER MURPHY: Let me ask you a question here. Help me with some math. You said that if you got another 2.5 percent of preference you'd be ahead of Granite. I can't get that to work.

MR. WILLCOXON: I did some calculations as I was sitting over there. I have the Granite bid at \$5.989. 7.5 percent preference would be \$449, my math. We're leaving a bid for comparison purposes of 5.540. If you take our bid of \$6.112 and deduct \$611,000, my math gets me \$5.501. So we would be low by approximately \$30,000-\$40,000.

I know there's a lot of speakers so I'm going to keep my comments really to a minimum here.

I think the important thing we have to do is look at the spirit of
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the local preference. We've met that spirit. We've got a joint venture partner that's capable of performing the work and he is performing a much greater dollar volume of than any other joint venture partner that's submitted a bid. I think if we look at the particular joint venture agreement that Pavex ... (untelligible) ... has, they have a particular provision that calls for the accounting work to be done by Pavex. I submit that if you read 2.02B2 of your requirments ... and I'll read that for you ... "MBE/WBE/JV Partner must share in control, management and administrative responsibilities, risks and profit of JV in direct proportion to its stated level of JV participation."

Our point is this ... that that has to be interpreted in connection with the goals of the local preference. But if one of the joint venture partners, for example, Pavex is going to do all of the accounting work, then they don't satisfy that requirement and they wouldn't qualify for any preference.

Also, when you talk about risks and profits from the joint venture, who is providing the bonding? Who is signing on the dotted line with the surety company? Who's putting their house at risk? If you're going to apply this test mechanically, which is to say that we would have had to have Esquivel doing 61 percent of the work, managing 61 percent of the subs, providing 61 percent of the bonding. If that's the interpretation I think it's too mechanical.

I think we met the spirit of the local preference and we ask for the 10 percent preference.

Mr. Esquivel will speak to his qualifications. Thank you.

MS. MARA ROSALES (Airports General Counsel): Commissioners, I would just like to let you know that it's not a recommendation by the HRC, it's a determination by the HRC Director under the MBE law. His determination is final and the Commission essentially has no jurisdiction in this.

COMMISSIONER MURPHY: You anticipated my question. Mr. Esquivel.

MR. ESQUIVEL: Ralph T. Esquivel, Esquivel Grading and Paving, Inc. I was just going to elaborate on what was just said. I've been doing in the City for over 11 years and these guidelines haven't changed much and I was kinda shocked to hear about the determination because based on management subcontractors, and according to the specs and under Section 2.02, it specifically says under Item C that they would exclude the subcontractor amount from the total bid. I'm really kinda shocked to hear that that's part of it and I guess I'm not going to say to much since the determination was already there. But as far as our experience goes, we're capable of bonding, financing and doing all our accounting and managing our own work. We do approximately \$3-million in work in the City, just in street projects, underground projects and some concrete work and just general contract and subcontract.

I think that we're really the most qualified MBE joint venture partner in this particular bid. It's our mainstream of work, both the underground and the paving portion. I think that if you really look into our record as far as working with DPW you'll see we're very qualified.

I really don't have much more to say than that. I think our record speaks for itself. If you investigated anybody else that's bidding this as a joint venture partner, they would not have the experience, financial capability or even bonding capacity to be able to bid this type of work. Thank you.

COMMISSIONER MURPHY: I'm still left with a queasy feeling that these numbers don't work. Do we have somebody here who understands them? I think the first one's right.

COMMISSIONER MATTISON: Yes. The only quandary we're in is just those simple arithmetic questions. In applying the 7.5 percent preference to all of the top four bidders the first one appears to work out fine, but the second, third and fourth appear not to track with a 7.5 percent deduction off the gross bid. The sequence stays the same even if you do correct it, but it looks like they're within a few thousand dollars, \$20,000, \$30,000 of each other. Unless I'm applying it wrong, that's really the question.

COMMISSIONER MURPHY: Each percent is ...

COMMISSIONER MATTISON: They all ought to be around \$5.5-million and yet the second, third and fourth go up to \$5.758-million. That's what I was trying to ... the mysteries of the arithmetic that we hadn't quite dealt with.

MR. TURPEN: We'll let Jackson do some math.

COMMISSIONER MURPHY: Each percent is, give or take a bit, \$60,000.

COMMISSIONER MATTISON: They're fairly tightly bunched.

COMMISSIONER MURPHY: You multiply it by 7.5 percent and you get a spread of \$45,000.

COMMISSIONER MATTISON: This whole issue turns on a 7.5 percent preference.

MS. ROSALES: Versus the 10 percent.

COMMISSIONER MATTISON: And the question is, if one person gets 10 %, Minutes, September 20, 1994, Page 17

why wouldn't they all get 10 percent? We're really dealing with an HRC issue in this particular case.

COMMISSIONER MURPHY: Well, I think we probably are. Well, let's get on with our speakers and maybe Jackson can do some quick computations. I don't think it effects, mathematically, the outcome, but it's how I strayed into the error at the beginning. The spread looked too great.

Okay. Derick Smith.

DERICK SMITH: I'm Derrick Smith with Marinship Construction/Ghilotti joint venture. Basically, we applied for a 10 percent bid preference for the proposed project and I have been written communication with yourselves as well as the Airport Deputy Director. My only question was what was the problem with our 10 percent application? I have yet to receive any details.

COMMISSIONER MURPHY: Have you communicated with the HRC on that?

MR. SMITH: I've tried. I've copied them on all of my correspondence but I haven't received anything in writing from the HRC.

COMMISSIONER MURPHY: Ms. Rosales, isn't this an HRC issue?

MS. ROSALES: It is.

MR. TURPEN: I might suggest you talk to Ms. Waller.

COMMISSIONER MATTISON: It may be that after the speakers address the issue, Ms. Waller may want to address us all and just help clear up that whole aspect of it.

COMMISSIONER MURPHY: That was the sequence I had in mind. Please go ahead Mr. Smith.

MR. SMITH: My only concern was on what grounds. Myself and Ghilotti, we have three joint ventures at this present time that have been approved for 10 percent preference.

COMMISSIONER MURPHY: Approved by whom? The HRC?

MR. SMITH: The San Francisco HRC. So I just want to know some information. It seems like this decision was made behind closed doors with no input from the parties. No time to defend the allegations that were made in two protest letters.

And I think that the purpose of the program is to allow small emerging minority contractors to develop into aspiring contractors that don't have to do joint ventures.

COMMISSIONER MURPHY: Absolutely.

MR. SMITH: And I'd just like to say that in the spirit of the HRC program, let's give at least my joint venture some consideration and some adequate evaluation before we award this contract. Thank you.

MR. GHILOTTI: Thank you, Mr. Chairman, members of the Board. My name is Mario Ghilotti, Ghilotti Brothers Construction from San Rafael, CA. I'm President and my wife is 51 percent owner of our company. She's Chairman of the Board and an active member of the company.

We've been in business 40-45 years. I'd like to just go back to one thing about my parnter, Derek Smith. I met Derek Smith, he lived in Marin City; his father was a trucking contractor. And I'm talking about human rights and minorities. He lived in Marin City and he got a scholarship and went to Stanford and went to Cal and got his Masters Degree in Engineering. When he graduated I sent him a little gift. I was so happy. He played basketball with my son. I've know this boy since he was about eight years old.

After he graduated from Stanford he got a job a job with Plant Bros. in San Francisco and worked for three or four years. He called me up one day and said "Mario, I'd like to go into the contracting business. I've got the ambition, I'd like to go into contracting." I said "Derek, you got to go to Sacramento and prove that you are a minority, get your contractors license. Go to San Francisco and get certified as a minority contractor. Then you've got to get yourself a staff, an engineer, and so forth."

And this young man has done a fine job. You know, gentlemen and lady, this minority participation contractor, when a job comes up everybody runs looking for a minority. I didn't run looking for a minority. Derek Smith has been working with us and we with him for the last two or three years. He got his estimator, he got his staff. You're talking about a success story of this young man from Marin City.

This young man has joint ventured with me in a job that we have right now in San Francisco for \$900,000.00. We were awarded the 10 percent on that job. The Fisherman's Wharf pedestrian walk, \$128,000; we got the 10 percent. Castro and Loomas Street, \$544,000; we got the 10 percent. Indian Basin job, \$548,000; we got the 10 percent.

You don't go in th middle of a ball game and change the rules. When we started out, we've always got the 10 percent before the bid. You don't wait until the bids are open and then say now it's only going to be 7.5 percent. I don't think that's fair.

We are second bidders, but we can prove that the first bidder made a mistake. We are the legitimate bidders.

And gentlemen and lady, you know there have been some questions about minority contractors about getting a bond. How can a minority contractor starting in business get \$2.5-million worth of bond. How can he have \$1-million worth of equipment. Derek started out with nothing. He bought a truck, he bought a pickup, he bought a used sign truck, he rented a backhoe. This is the way we all started in this country, in this business. I started after the war with my brother. We bought our first dump truck, we bought our first dozer. You have to give these people a chance. You can have all the lawyers up here and tell you all these numbers and you have to listen to all this bull, but I'm telling you I'm the onnly legitimate contractor that has a minority contractor that's been working with me for the last three years in San Francisco. We always got the 10 percent. After the job the numbers come out, Granite Construction is the largest one in California, and a few of the other ones, and they get lawyers and they come and tell you all this stuff. Derek can talk for himself and I can talk for our company. We don't need a lawyer, we're telling you the facts. And I think we're always given the 10 percent. We have three or four existing jobs with the City at the 10 percent. Now, after the bids are open, they find out ... one of the lawyers naturally finds out that this should be 7.5 percent. Well, why didn't you tell us that when we started the job and we will go from there.

I want to thank you for your patience. Thank you, very much.

COMMISSIONER MURPHY: Charlie Walker.

CHARLIE WALKER: Good morning, Commissioners. Well, we're back at square one almost. I have a couple of comments that I'd like to make. I don't usually things unless I know what I'm talking about or our serious because I just want to tell you, I just got through hearing Esquivel talk about their affirmative action. Esquivel Construction Company in the middle of Hunters Point ... we had the most running fight with him about hiring one black woman. He did some things that would take me an hour to tell you, but was totally uncalled for.

As the gentleman just got through speaking, Ghilotti, if an African American is going an opportunity, it's going to be with people like him who are able to put up the bond and take the chance. The way this Airport thing is going now ... we don't have anything in it. I don't care what they tell you on paper. I don't care about their figures or nothing. But I'm telling you that if you got to go through all these statistics and we, as African Americans, still aren't getting anything. I don't care what the figures say. We're still left out of the picture. And the only way we're going to get in the picture is with people like Ghilotti. And Ghilotti has been a father to Derek Smith and to a lot of other African American contractors.

There are a lot of things that go on that you don't about ... when an African American contractor hasn't had enough money to pay his rent and he goes to Ghilotti and borrow money. All of these things ... banks are involved in this, banks won't let us have money. Bonding companies won't let us have bonding. And, in view of the fact that as much and as hard, and I said some things concerning Mr. Turpen which I will at this time will somewhat apologize to him. He is trying his

level best to get some things done for us but because of the lending institutions policy, he's having a rough time. And now we're getting to more or less look at him and say, well, the guy can only go so far. He can't give us the Airport's money. But when you have a chance to be able to allow one of our people to work in the industry, everybody now wants to be a minority. Everybody on earth want to be a minority. When all the riots and all of the disturbance broke out, there's no group of people in American could have did that but us. Any ethnic group in American that would have did what we did, they would have backed the boats up to the harbor, put them on the boat and sent them back where they come from. There just ain't no place for us to go. Let's face it. And what we're saying to you is, I don't understand why you won't award the contract to Ghilotti/Derek Smith/Marinship. All we're asking you also to postpone any decision until after the Human Rights Commission can thoroughly have a look at it. I think that this might be the better way to go. But I think you'd be making a drastic mistake to give Esquivel and this other firm the contract because we know Granite is behind it, and everybody else knows they're behind it. And Esquivel, in view of the fact of them calling themselves minority, they have turned themselves into turning against African Americans.

You see, what you got to understand is when they say Mexican people are minorities as it is with Tutor-Saliba and as it is with most of these contractors, before they'll us they'll go hire women and Mexican people. I'm saying that the bulk of the madness in this country concerning minorities is us. We're not getting not near the chance that we should get. And I don't want to stand here and take a lot of your time, but I would like to say to you, Mr. Turpen, you've turned over a leaf and we compliment you. And you are working us and we do appreciate it. And we appreciate the Commissioners, whatever they did to you to make you do that, I'm glad. Thank you.

But also, I would ask you, Commissioners, this morning if you would do for us, postpone this thing and let's see what we can do insofar as that 10 percent is concerned. Mr. Ghilotti is right. If you're going to change the rules ... everytime it look like ... you see, this to me, it don't seem like much to you, but look like everytime one of us decide or look like they going to move, somebody says, "They're going too far. Let's change the rules on them and see if we can slow them down." Well, that's not funny to us. So I'm asking you this morning, would you kindly put it off and wait until this matter can be looked at further. And we are going to try, the African American contractor, African American truckers and the African American community, to try and work with Mr. Turpen and try and work with you to try and get some type of parity. And I thank you, very much.

COMMISSIONER MURPHY: Willie Ratcliff.

WILLIE RATCLIFF: Mr. Turpen, Commissioners. My name is Willie Ratcliff and I own Liberty Builders, a general construction firm and I'm President of the African American Contractors. And you probably know we've been trying real hard to try and make the joint venture work and, of course, we're probably the only place in the country that even

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has it. It's really been a fight to make the joint venture do what it was set out there to do, and that's to help MBEs and particularly African American contractors because we're always at the bottom.

We have asked, as an organization, that the joint venture be dropped and that it should never have been there in the first place because it seemed set up to keep the old boys network going. That's the way we see it right now.

This is my first time ... somebody else might know about it, but this is my first time seeing two whites joint venture together. If you look at statistics in private industry and also in the public, you will see that white women get more than MBEs. I don't care if you look at PG&E, if you look at whoever, and you'll see what's happening. Now, if we're going to start introducing this type of thing of white women teaming up with white men. It's so easy for the abuse. I'm not saying it's happening. I know the law is open for it to do it, but I think we should tighten up on the law to make it work or get rid of joint venture.

I see no reason whatsoever that Derek Smith should not have had 10 percent. I'd like to know what ground and I certainly agree with Charlie that we should send it back. I'd like for the Commission to hold a hearing and get this straightened out. And maybe some things need to be done. I think a real serious look need to be taken at the joint venture situation and make sure it's doing what it should do.

COMMISSIONER MURPHY: Mr. Ratcliff, you say the Commission conduct a hearing. You mean the Human Rights Commission?

MR. RATCLIFF: The Human Rights Commission. Right. I think to take a good look at joint venture. As I say, we have asked them, the joint ventures preference only be for MBEs, period.

If anybody want to bid within that \$10-million frame, they are fine to do it. But they just don't get the preference. There's nowhere else in the country, that I know of, that that's set up and maintained. Thank you.

COMMISSIONER MURPHY: Thank you, Mr. Ratcliff. Mary Ratcliff.

MARY RATCLIFF: Good morning. I'm Mary Ratcliff and I'm General Counsel for the African American Contractors of San Francisco. First of all, I want to thank the Commission and the staff for the great strides forward that you are taking. We also put out the New Bayview Newspaper and you may have seen out \$700-million headline. I'll tell you. it was the shot heard around this City, anyway.

This, too, is a momentous occasion, but I'm not sure it's a good one. This is the first time that I know of that steps have been taken across the board to deny a 10 percent preference to a series of bidders, knock them down to 7.5 percent and, in the case of Marinship, with no explanation. And by awarding the contract, as you proposed

today, you would be ratifying that HRC decision, which does not appear to have been done with full due process.

I want to remind you, as the speakers before me have, a little bit about how Chapter 12D of the Administrative Code came into being. In 1984, when it was adopted, as far as I know, the idea of permitting a preference to joint venture involving a white male owned company was a pretty new idea. I don't of any other City or State around the country that did that. The reasoning on paper was that since bonding and financing were significant barriers to minority participation, and particularly to African American participation in good size contracts, such as those tha the City and Airport generally award, that this would be a way to ease them into the process and give them experience. So, the joint venture was the solution to the bonding and financing problem and it's our position that it hasn't worked. Most of the joint venture, minority joint venture partners have not been able to increase substantially their bonding and financing capability. Bonding companies routinely refuse to consider joint venture experience. But it's still the law in San Francisco and we are to work with it.

I should say that the African American Contractors of San Francisco are on record opposing the preference and have asked HRC to reconsider it and to abolish it or, at least to substantially change it.

Derek Smith, Marinship is a member of the African American Contractors and someone of whom we are very, very proud. Here is a young man who got an Engineering degree from Stanford, who has been in construction all his life, following in his father's footsteps. He's done small contracts, he's done big contracts. He's operated as a prime contractor, by himself. He has operated in joint venture in multi-million dollar contracts and has never been denied a 10 percent preference in those joint ventures.

Denying him the 10 percent preference is an indictment of the joint venture program. It's saying that it's absolutely impossible for a Black contractor to be the dominant partner in a joint venture even though he has indeed performed. It's not always true that joint venture partnerships are true partnerships. We know that there are cases where the crew and the equipment come from the dominant, the white partner. That's not the case here.

If there is any problem with the decision at the HRC level, you're ratifying it compounds the problem. I would like to reiterate the request that you postpone a decision, recommend ... of course you can't tell the HRC what to do ... but recommend that they reconsider and that in the process they fully investigate and disclose their reasons for their decision to deny the 10 percent to all of those to whom it was denied. And that they hold a public hearing, which would not be difficult, I don't think, for them to do. They have a Commission, as you do, and those Commission meetings are public.

COMMISSIONER MURPHY: Has anyone made an effort to take this to the HRC so far?

MS. RATCLIFF: I think that all of this has transpired so quickly that
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there hasn't been an opportunity. I think that in Derek's case he was waiting for an explanation which never came. He's repeatedly asked for it, both in writing and verbally and has not gotten it. So, there simply hasn't been time to ask for that.

MR. TURPEN: I'll remind the Commission that this contract is the contract which the Commission had put over the last time with similar controversy and under a critical path for the Master Plan and it was actually authorized for me to award the contract, but the timing was so such that we brought this contract back. This is the one that was on last calendar.

COMMISSIONER MURPHY: When was this on? The 16th of August?

MR. TURPEN: Yes.

COMMISSIONER MURPHY: Okay. I wasn't present at that meeting. What happened in the last 30 plus days?

MR. TURPEN: All bids were rejected and it was re-bid. Ms. Rosales or Ms. Waller can probably speak with more authority to all of the issues that were under debate. During that initial bid there was obviously confusing with respective bidding, bid preferences and in the Commission's view they elected to re-bid the project with a very short time frame and with a direction to not only staff it but also the Human Rights Commission to ensure that any confusion, with respect to bidders bidding instructions, etc. was clarified.

MS. RATCLIFF: Just one more word. Derek Smith lives in Bayview Hunters Point, a community where 62 percent of Black men are unemployed. That is an explosive situation. His company contributes greatly to elevating that very serious problem for all San Franciscans.

There are public policy considerations here. The MBE/WBE program was founded largely on the instigation of African Americans in order to break down a system of longstanding disadvantage. However you make the numbers come out, if you leave the preferences as they were initially applied for, Marinship is the low bidder and this would severely ... awarding it to anyone else would severely disadvantage them and I would hope that your recommendation would be to turn it back to HRC for a very speedy reassessment and reconsideration.

COMMISSIONER MURPHY: Thank you. Margaret Burke.

UNIDENTIFIED SPEAKER: Ms. Burke declines to speak at this time.

COMMISSIONER MURPHY: Paul Aherne.

MR. PAUL AHERNE: Good morning. My name is Paul Ahern and I'm an attorney with the firm Carr, McClellan in San Francisco and Burlingame and represent the apparent low bidder, JMB Construction/Granite Rock. Initially, I'd like to advise you that Granite Rock Company is not Granite Construction Co. that has been alluded to here ... the large heavy highway company that's a national company. Granite Rock Co. is a small aggregate manufacturer which is family-owned, and for a large number of years was woman-owned.

I listened to all the speakers today and I believe that what you're hearing is an outpouring of frustration with the process, but the one issue that I would bring to your attention is the fact that at the last hearing there was a mandate to the HRC to explain to the bidders on this job how the preference was going to be applied in that it would be applied in accordance with the HRC regulations. In fact, I understand that the HRC allowed anyone, and JMB was one that availed themselves to come meet with them to discuss how they should bid the job as an MBE/WBE/LBE in order to obtain the highest preference that is allowed under the regulations. In fact, after JMB's meeting, JMB decided to substantially reduce the amount of work that it would do so that it would be considered a bonafied joint venture and qualify for the 7.5 percent preference.

I also understand that at the pre-bid meeting held prior to the re-bid this was explained in some detail to each of the prospective bidders that was there with an admonishment that you shouldn't bite off more than you can chew in that if you were asking for a 10 percent preference you were going to have to demonstrate that you had the ability, the capabilities, the equipment, manpower and financing to actually control over 50 percent of the job. I think that although I understand and empathize with the individuals that have spoken here today in their strives towards success, I think that they understood the issues also and you look at the 10 percent preference on a project by project basis. That's pursuant to the guidelines. On this particular project, those individuals did not qualify merely because of the magnitude of the project. I don't see an indictment of the HRC program as a whole as some speakers have suggested. The very reason that you've heard Mr. Smith state ... he has a number of joint venture partnerships which are on-going with Ghilotti right now.

I believe the program works. It certainly something that as it evolves can be reviewed and analyzed and hopefully corrected where warranted. But I think for the purpose of this project the rules and guidelines were provided to the bidders prior to the time they submitted their bids, discussion was encouraged, and that everyone had the opportunity to bid the project in accordance with the guidelines.

Just one personal note. I would say that in America you can only find the situation where Liberty Builders and Mr. Ratcliff is a subcontractor to the apparent low bidder and has the ability to come here and actually ask that the project be awarded to someone else other than Granite Rock/JMB, so I would applaud Mr. Ratcliff for his conviction. Thank you.

COMMISSIONER MURPHY: We had a request to speak from a Mr. Al Norman, Bayview Black Contractors who referenced the Light Rail System.

MR. RALPH NORMAN: No. I listed it wrong.

COMMISSIONER MURPHY: This is what you wanted ... I kind of had a feeling you did, though we'd appreciate your thoughts anytime on the Light Rail System, too.

MR. NORMAN: Good morning. My name is Al Norman and I'm plumbing contractor here in San Francisco. I belong to the African American Contractors Association and I'm also acting Chairman of the Bayview Black Contractors.

I've heard all the speakers here today and I'm really concerned about the last speaker and I applaud defense of the HRC program. I'm going to come to and appeal to you a little more than everybody else and say go ahead and award, but the award should go to Mr. Smith, with him being the apparent second low bidder.

We're doing this so that you're original meaning and concern for the minorities in San Francisco to be able to participate in these programs was for somebody like Mr. Smith and somebody like Mr. Ghilotti to get together and being able to apply that equitably was to give him an opportunity to be under ... he went to Stanford and he did all these things, but just like a Doctor or anybody else that's going into a profession, he has to have his internship too.

But when you go into these joint ventures you just can't come and say "Hey, I'm Derek, I'm Black, I got an Engineering degree, I got this, that and the other and I want to do something." You have to bring something to the table, too. With these joint ventures ... I have joint ventures with ... (unintelligible) ... one of the largest mechanical contractors in the State, but, I didn't walk in there and say "Hey, I'm Al Norman, I'm Black, I'm this, that and the other." I walked in there because I was qualified. I showed them what I could do before I got into this joint venture. I showed them what I could do and what I could bring to the table. I'm not coming in here black I'm Black. I'm not coming in here saying I'm Black and the City says you can hire me.

With 10 percent preference given on this job, well, hey, Ghilotti is saying that this guy can bring something to the table so it's going to cost us a little in the long wrong run, but he's bringing something to the table and I'm really turning a profit with him.

And then, not being able to have that 10 percent preference you slam the door on any other kind of relationship that we can have with Mr. Ghilotti and anybody else because we don't have nothing to bring to the table. It's not a thing that I'm Black, I'm Mexican or I'm something. I still got to be the low bidder. Even with the preference I have to be low.

I see a clear case of trying to circumvent what you, as Commissioners, the Human Rights Commission and everybody else clearly stated. These lawyers, they're the same lawyers that we fought that came up with Crosin and everything else and the City turned around and said, yea, we're still going to apply this law. But now they come up here and the

thing that bothers me most is that we set a serious precedent for the future work at the Airport. And that's what we should be considering here today. What kind of precedent are you setting for us as African Americans? You're going to slam the doors and say that this woman can come in here with the 7.5 percent and we're going to give it to her. And these guys can come with the 10 percent and all they want, they don't have to explain, we're just going to give it to her with her 7.5 percent because it's cheaper for the City to do business with the 7.5 percent than it is with the 10.

That's just how it's being spelled out here. It's cheaper for you to go with the 7.5 as compared with the 10 percent according to the figures that I have concerning the bid. And I don't know what took place at the last pre-bid, I don't have any participation in that contract whatsoever. None. I do have an interest in what kind of precedent are you going to set for African Americans or any other minority contractor that's going to be coming up to bid Airport work in the future with all the big Airport expansion coming up. Are you telling us today, with this particular job, go do whatever you were doing before? Airport is not going to be anything that's going to benefit you. Just go home and forget about it. And that's what's happening here today. I mean, it's a small matter to a lot of other people, but to us it is setting a precedent on how the Airport is going to deal with us as Black business people and joint ventures with people like Mr. Ghilotti. We can't come up with the bonding, we have to come in there. When we enter into a contractual relationship with you we have to be able to come in here and deliver. We have to be able to deliver so Mr. Turpen can't hit us with no liquidated damages. There are a lot of times what determines whether or not we can deliver and avoid the liquidated damages, we have enough money, enough technical experience and enough of all the other things that we need to live up to the contract that we make to you as the Airport. This is what this 10 percent preference provides, saying, "Mr. Ghilotti, I brought this to the table. Me and you going into this together. I don't know much, but what I do know I'm going in here with 150 percent and do my best and I'm not looking for a free ride and I'm not looking for nobody to give me anything."

This is what we say. What is going to be the precedent that you are setting for the future Airport expansion? Are you going to tell us today "Go home and don't think that you're going to participate in it." Because this is what this is saying today. You really need to think about your decision on this matter. I don't know the lady from anyone else. I don't even know what it entails. You can see by me filling out the application ... I didn't even know what the title of the job was. But, we need to set a serious precedent on whether or not we're going to be treated fairly by the Airport.

COMMISSIONER MURPHY: Okay. Mr. Norman, two things I might mention just as a bit of background here since you're not directly involved in bidding this. One is if you're not familiar with our credit enhancement program for small contractors, your organization should become familiar with it and you can talk to Mr. Martin in the front row about it ... right behind you.

MR. NORMAN: No. I'm familiar with all that. No ...

COMMISSIONER MURPHY: I just don't want anybody to get the impression ...

MR. NORMAN: No. With that part of it. But what I'm saying here is, we have all this stuff to where we come in the front door. I can talk to Mr. Martin all day long but I don't who's coming in the back door and saying that this is not going to work for me.

COMMISSIONER MURPHY: Okay.

MR. NORMAN: I'm judging it on what's going to be fair. Mr. Smith is before you today; next week I might be here.

COMMISSIONER MURPHY: I understand that. Second point, again, as made by several other speakers, is we're basically dealing with a determination by the Human Rights Commission. So, we probably ought to hear from the Human Rights Commission. Thanks, Mr. Norman.

MS. ROSALES: Yes, Commissioner, if I may, just for the record, the determination of whether a contractor in any case, and particularly in this case as well, is entitled to a 10 percent bid preference is a case by case analysis by the Human Rights Commission. If a contractor claims entitlement to a 10 percent bid preference, it doesn't mean that it's automatically going to get that preference. There is an analysis that needs to be made in the judgment call by the Human Rights Commission Director. By determining that each ... in fact, if you notice the five contractors that are listed here, the first four all got 7.5 percent which means that they were deemed to be qualified for a preference, just not exactly the 10 percent. What that means especially is that the Human Rights Commission determined that the participation by the minority or woman business partner was between 40 and 50.9 percent, not only participation but ownership, control, management on a day-to-day basis, etc. So there's a lot of factors that go into it, not just the actual work or participation.

COMMISSIONER MATTISON: In how many of these cases was the application for 10 percent, which was then lowered to 7.5?

MR. ROSALES: In three, if you notice no. 2, Homer J. Olsen/San Luis originally asked for 10. Marinship/Ghilotti Brothers asked for 10. DeSilva/Esquivel also asked for 10 originally. They got 7.5 percent. Granite Rock came in at 7.5 percent. At the prior time when this matter was bid, Granite Rock came in at 10 percent. Most of the other contractors also came in at 10 percent. I think it's fair to say that most contractors would go for the 10 percent because, obviously that's a maximum advantage. And I believe that Stacey Witbeck, Ramirez, which is not listed here, also asked for the 10 percent.

I just wanted you to know that I did independently review the initial recommendation by Ms. Waller before she made it to Mr. Lee and that I concluded that there was a rational basis for the Director to lower those percentages from 10 to 7.5 percent. And, as you know with respect to the history of the MBE ordinance, I drafted it and I'd be happy to share what my views on the history, if you're interested.

COMMISSIONER MURPHY: This is ultimately a decision for HRC, is that not right?

MS. ROSALES: Exactly right. There's no appeal rights to this Commission. There's not even any appeal rights to the Human Rights Commission. It is only to the Human Rights Commission Director. That decision is final and can only be appealed through the courts.

COMMISSIONER MURPHY: If people are aggrieved with what the Human Rights Commission is doing, they can go see the Human Rights Commission.

MR. ROSALES: Sure.

COMMISSIONER MURPHY: Ms. Waller.

MS. PANSY WALLER: You've heard from most of the bidders who attended the pre-bid meeting where I very clearly and in most concise language ... I was reading from text I had prepared which I had taken from the Rules and Regulations and from the Ordinance and from the affirmative action requirements of the Human Rights Commission on joint ventures in particular.

I have determined, based on what I reviewed, which was the HRC Form 4 and the management plan as submitted by each of the joint ventures that the bid preference which was being claimed by at least three of the bidders could be afforded as 7.5 percent. And that's the determination that I made based on evaluation of all those different documents which I reviewed and also based with the concurrence of the HRC Director, Ed Lee.

If any other questions are required at this time on the part of any of the contractors here today who bid it, I can certainly make myself available. I'm at the Airport and my telephone number is 737-7724. And anyone who would like to call to set up an appointment with me may do so. If a meeting with Director Ed Lee is required to explain everything in the joint venture, I'll be happy to also set that up.

COMMISSIONER MURPHY: One question. We've heard from at least one speaker that in other jobs in San Francisco they've been afforded a 10 percent preference. My understanding of the way that would work is that whether you get 10 percent or 7.5 percent or something else depends on the nature of the joint venture for the job in question

and who's doing what work.

MS. WALLER: That is correct. Each joint venture, Commissioner Murphy is reviewed individually on its own merit based on what is involved in the scope of the work and what is written down in the joint venture agreement.

COMMISSIONER MURPHY: Were any rules of the game changed at this time? Several people talked about the rules of the game being changed.

MS. WALLER: No.

COMMISSIONER MURPHY: Just the same. Scope of work measurement and other compliance criteria.

COMMISSIONER MATTISON: Just out of curiosity, what were the sorts of things that would determine say, in the example of the Ghilotti/Marinship situation ... what kinds of things would cause that pairing of entities to get a 10 percent evaluation in one job and 7.5 percent in this job? Is it scale? Size of the job? Scope? What sorts of things?

MS. ROSALES: Again, I would have to see which joint ventures they declared to have gotten a 10 percent. I don't know. I know that I reviewed my individual.

MS. ROSALES: Just to answer your question in general terms, when you look at all the various factors that the HRC considers ... the actual participation on that particular job ... in this case we're talking about a \$6-million job. I've heard that the other joint ventures that Marinship and Ghilotti have are in the \$500,000 range. You look at the dollar value of the contract, the actual work performed by the minority partner and the non-minority partner, how they're going to arrange their business, who's going to control and manage the job because the Ordinance talks about managing the job, not just managing your portion of the joint ventures work, for instance. There's at least six to 10 factors that have to be weighed in each individual case. So you may get a result, for instance in the Marinship/Ghilotti situation where you would get a 10 percent on a \$500,000 job, for instance, because of the way they set up that joint venture and you may not. And in this job, you may or you may not. That's, just generally speaking, how they analyze it.

CHARLIE WALKER: May I say something?

COMMISSIONER MURPHY: Sure, Mr. Walker. Please try to keep it brief this time.

MR. WALKER: If that's the case we would like to have an opportunity to meet with the Human Rights Commission to be able to find out why that decision has been made and ask you to postpone it, at least until your next meeting until we have an opportunity to meet with him to find out what is the problem. Because all I understood and heard her say was it's okay for him to get a 10 percent preference if he ain't getting nothing but a \$100,000 or \$500,000 job. But the minute he moves into a \$6-million job, that's altogether different. That's an insult as far as I'm concerned.

MS. ROSALES: No, that's not what I said.

MR. WALKER: Well, what did you say?

MS. ROSALES: Actually, I said that it is a case by case approach and you may or may not get a bid preference at a \$500,000 level and you may or may not get it at a \$6-million level. It depends on the case and you have to look at each individual factor. So it's not a question of dollar value alone, it's a question of at least six to 10 factors.

MR. WALKER: I understood that. I didn't misunderstand you. But as long as was getting \$100,000, \$200,000, \$300,000 jobs he was getting 10 percent, but the minute he moved to a \$6-million job, then he was not getting it. What I'm asking at this moment that the agency would postpone this until we have an opportunity to go before the Human Rights Commission. That's my questions because I ... this is totally baffling; even the way you put it.

COMMISSIONER BROOKS: Didn't you say it's between 40 percent and 50.9 percent of the job for minority ...

MS. ROSALES: For the 7.5 percent preference it's all the factors that I discussed that reflect between a 40 percent participation all the way to 50.9 percent. Once you're past 51 percent you are in the 10 percent bid preference range.

COMMISSIONER BROOKS: So Mr. Smith would have to be passed ... and I know that's not our position to determine what the HRC decides, but he would have to be at least 51 percent of the job before he would qualify for the 10 percent.

MR. WALKER: But he's doing that. That is the case in this case and I don't understand what the Human Rights Commission has based its findings on. And I think we should have the opportunity to be able to find out what they're basing their findings on because they may be ... Mr. Lee may very well look at it after we have a meeting before the Commission and him and the only thing we're asking you to do at this moment is postpone it because this is all new to us. I mean postpone it until we have an opportunity to meet with Mr. Lee.

COMMISSIONER BROOKS: Did Mr. Smith attempt to go in and talk to the Human Rights Commisison?

MR. WALKER: As President of the African American Truckers Assn. and also a member of the African American Contractors Assn., we were not aware of how the rules are not being changed and we're asking for an opportunity to be able to meet. The moment I leave here we will go direct to Mr. Lee's office and ask for a meeting as soon as possible to see if we can iron this out. If you will allow us to do that.

COMMISSIONER MATTISON: What's the ... we have two issues here. One is question of if HRC is to take this matter up or at least have a meeting on it to make some sort of explanation about the judgment call as to the true participation level that gives rise to the percentage. What does that process do to the job? This job, theoretically, is critical path, fast track, got to happen yesterday. Where do we stand on all that?

MR. TURPEN: We're a month behind already.

COMMISSIONER MURPHY: Behind what?

MR. TURPEN: It was put off once on the critical path. The job's got to go. If we put it off another two or three weeks or another month is simply just going to delay the ultimate relocation of United Airlines which is ultimately going to delay everything else.

The job, as we explained to the Commission last time, and Jackson will confirm it, is on the critical path in terms of providing a hardstand necessary to relocate all the aircraft which are currently in the way of the development of facilities for the new International Terminal. We have to knock down facilities and a number of other things.

COMMISSIONER MURPHY: Mr. Smith. Did you want to say something?

MR. SMITH: The only comment I wanted to make was on the \$6-million contract, the actual portion that I will be completing is \$1.7-million and Ghilotti will complete with their own forces \$1.6-million and the rest will be subcontracted and that will be a management role my firm will take on to manage the subcontractors. So to say that I've suddenly grown into a \$6-million company is a little misleading. And the other thing was that I was in attendance at the pre-bid meeting and I was aware of all of the requirements that the HRC were to enforce for this contract and we did everything that we thought was necessary to achieve our 10 percent preference. So, we're just looking for a little explanation and maybe a little bit more detailed explanation from the Human Rights Commission as to why our participation was downgraded.

COMMISSIONER MATTISON: Counsel, on the face of it, if that turned out to be true that the minority partner is doing \$1.7-million and the joint venture is doing \$1.6-million and the balance is subcontracted, on the face of it by the ordinance, does that pass muster in the preference calculation? So we're basically dealing with a judgment call that a \$1.7-million isn't an accurate number. What are we actually ...

MS. ROSALES: No. It goes beyond the \$1.7-million, it goes in terms of not only the actual participation ... Ms. Waller can address that ... I don't believe that there's a question as to whether ...

COMMISSIONER MATTISON: That's not the issue.

MS. ROSALES: Yes. That's not the issue. It goes into the management and the control of the job ... the control and the management goes as to the job, not as to the \$1-million but as to the \$6-million. Those are all the questions and you look at the joint venture agreement and how that arrangement was set up.

COMMISSIONER MURPHY: Does the issue implicate the bonding capacity of Mr. Smith's firm?

MS. ROSALES: Those factors are considered as well.

COMMISSIONER MURPHY: So, if Mr. Smith has trouble getting bonding for ...

MS. ROSALES: I'm not sure that if it's trouble ... no, there's no hard and fast rule that you go and say if you meet ... that in every case it's going to be the same. The factors are weighed.

COMMISSIONER MURPHY: I understand.

MS. ROSALES: Those are things that are considered and I don't think that the ... and, again, Ms. Waller can answer more directly for the Human Rights Commission ... but bonding capacity is one of many factors. I don't think it determines anything in and of itself.

COMMISSIONER STRUNSKY: Am I missing something here? This decision and the details of it isn't within our purview.

MS. ROSALES: That's right. As I understand it the Director has made his decision. Under the ordinance, that decision is final; there is no appeal to the Commission ... to this Commission or to the Human Rights Commission to overturn that decision. That's something that
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stays with Mr. Lee. Now, of course he can change his mind.

COMMISSIONER MATTISON: I understand all that and I have no way of challenging that but it doesn't limit my curiosity or my interest in trying to look at the bigger picture and do what's right. My own interest, I guess, is in trying to assess the HRCs willingness to even deal with this issue and what avenues are available and I guess my inclination in the interest of getting something done would probably be to, at least on behalf of one Commissioner, to vote for award but allow a 72-hour window for HRC and the potentially aggrieved parties to get together, meet and determine whether is any inclination on the part of HRC to revisit this preference since it all happened post-bid. As I understand the preference adjustments happen post-bid opening?

MS. ROSALES: Yes. The requests come in ...

COMMISSIONER MATTISON: Therefore, if we award subject to a 72-hour sit-down review ... this is totally at the discretion of HRC. They may say "No, we're not going to do that." But if they choose to and they make a determination within 72 hours that they want to revisit the calculations, so be it. If not, the award would stand and we'd break ground. That's one possible way to get something going.

COMMISSIONER MURPHY: I think we're kind of torn between two issues here. Obviously as a matter of law we don't revisit decisions of the Human Rights Commission. On the other hand, this Commission, and I think I can speak for each Commissioner, is dedicated to having meaningful opportunities for minority contractors to participate in the new Master Plan. It's biggest construction project in this area and we're going to have minority participation in that plan.

COMMISSIONER STRUNSKY: I would support Commissioner Mattison's idea of voting to award with a 72-hour period for the Human Rights Commission Director ...

COMMISSIONER MURPHY: Technically, can that be done?

MR. TURPEN: I don't know.

COMMISSIONER MATTISON: It purely is a matter of ...

MS. ROSALES: You normally do it when you're own Director ...

COMMISSIONER MURPHY: You guys have all the answers all the time.

MR. TURPEN: My view is, taking it from a slightly different
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perspective and that is my responsibility to keep the Master Plan going, which is of some concern. There's been a five week delay thus far. Let's assume, and I have no problem ... if the time is in the schedule I'm happy to allot the time, but assuming a 72-hour window, and let's assume that at the end of the 72-hours, for whatever reason what happens ... do we just award at the end of 72-hours?

COMMISSIONER MATTISON: No, it's award now. In other words, award now with a contingency that if HRC is inclined to revisit any issue of this post bid calculation of preference, they may do so or they may say we did and it's the same result, or we changed it. They can do whatever they want and apply the calculation and award. In other words, award to the low bidder subject to that review.

COMMISSIONER MURPHY: Let me put it another way. Based on your critical path statement, based on the extreme importance of the Master Plan ... it's important to a lot of people in the room for things that go far beyond this job ... I'm jumpy about putting this off for two weeks for no reason. Now, if there's going to be a reason then I kind of like Commissioner Mattison's idea.

MR. TURPEN: The issue very simply is that a determination has been made, whether you agree with it or not, under the rules of the City a determination has been made by the responsible authority; such determination is final. This Commission historically has acted only when such determinations have been available to them from the Human Rights Commission, recognizing their recommendation. As a practical matter, this has come to a conclusion. The appeal now to this Commission, although that's come to a conclusion, we'd like another chance to reopen it. The Human Rights may say yes, they may say no.

My concern in a larger context is if at the conclusion of every action we unclude it, when do we stop uncluding things? If the Human Rights Commission was going to do it, I have faith in the fact that Mr. Lee acted in good faith in making this recommendation. If there is some evidence which suggests, and I'm open to this, if there is some evidence which suggests he didn't have the information, there were mistakes made, or whatever, then I think that's one thing. If the suggestion is, and I'll have to look to Ms. Waller and Ms. Rosales, if the suggestion is that this conform fully with procedures of the City, then I have some serious concerns about setting certain ...

COMMISSIONER MATTISON: I think the Commission remains very sensitive to the issues of setting precedent, and even more importantly in this case, a breaking precedent. But we also, I think, look contextually at the individual circumstances. In this particular case we were dealing with a very expedited bid turnaround timeframe and we're also looking at the notion that it's purely at HRC's discretion as to whether they've had enough time to sufficiently visit this issue in its entirety with finality. If they're perfectly satisfied, they will say "No further review."

MR. TURPEN: Let me just say that I am totally relaxed on the issue of putting it over. My only concern is that concern for the Master Plan is something the Commission must consider with respect to the critical path ... the three days to me ... what's two more days after five weeks? I'm not worried about that. It's just the ramifications. The law of unintended consequences is all I'm worried about.

COMMISSIONER MATTISON: I'm not floating anything that would bring this back to us. I'm floating something that would either ratify award as presently presented or modify the calculation, in which case there would be a different potential bidder. That's really up to the HRC.

COMMISSIONER MURPHY: The other thing is a policy point. This Commission cannot become a Court of Appeals for the HRC. We just can't do that. It's not our function under the Charter.

MS. ROSALES: The only point I want to make to you is if you could put this over for just a few minutes I might have some information ... just five minutes for Ms. Waller that would, I think, help you in your determination.

COMMISSIONER BROOKS: Before we put it over could I ask at what date were the contractors notified of the final bid?

MS. ROSALES: Of the preference calculations ... the bids were opened on September 2nd. The determination was sent ...

MR. SMITH: I think it was sent Friday of last week.

MS. ROSALES: September 16th. Two weeks after bid opening. Again, this was a second go around with the same contract.

MR. SMITH: If I may interrupt? It sounds like I'm being lost in a shuffle of the Master Plan and this and that ... I'm sorry that I'm in the way of the bigger plan but one of the things ... like you said, what are the chances, if you make a recommendation for award today, what are the chances that that award is going to be overturned? I don't think that that's very realistic. That you're going to award something today and three days later someone's going to say "I think they made an error. Let's call them back and put this back onto the agenda." I think once you make a decision here today, that's going to be the end of it. I don't expect to see this on any more agendas.

COMMISSIONER MATTISON: I'm trying to invent a technique to deal with specific circumstances here in which you say you don't believe you had an adequate opportunity, or maybe other parties as well had an adequate opportunity to sit down with HRC and make the case or understand fully how the bid preference calculation occurred. So I'm

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trying to give you that shot and if HRC ... I mean I haven't HRC being fast and loose with this kind of thing. I think they will take this very, very seriously and if they still concur that they did it right, then you're right, the award is the award. But, if they say, you're right, this calculation is in error, then the award, by definition, will be changed. Not maybe it will, it will by definition be changed if HRC changes its calculations.

MR. SMITH: I think we received the notice of award on Friday, but I believe the decision was made probably Tuesday of last week. And I had a meeting ... happened to have a meeting with the Director of the Human Rights on a totally different issue on Wednesday and I brought it to the Director's attention about this project and what was going on and the Director of the Human Rights stated to me that he had no knowledge of this particular project. So, I think that should be considered. I don't know ... they refer to the Director in several letters that I received but, like I said, as of Wednesday of last week the Director had no knowledge ...

UNIDENTIFIED SPEAKER: Thursday.

MR. SMITH: Was it Thursday? I'm sorry. Thursday of last week the Director had no knowledge of this particular project. And for him to make an evaluation of my joint venture in one day ... was is that?

MS. ROSALES: The way that it works is that the Director doesn't do every decision ...

MR. SMITH: So he had no involvement.

MS. ROSALES: No. He has staff people that work up the case and then present the matter to him and he makes the final decision. Pansy Waller is the representative.

MR. WALKER: May I just ask one question? I think that if we're given the opportunity to meet with Mr. Lee and ask Mr. Lee to go over this and if you'll give us the 72-hour window and don't make a decision now, then give us a 72-hour window and we will try and have a meeting with him today to see if we can straighten this out and no decision will be made. And we'll be back to you in three days.

COMMISSIONER MATTISON: By public mandate we have these meetings scheduled so that everybody in the world knows about it. That's why I'm trying to do something now that if they change their calculation, the award is changed. If they don't change the calculation, the award is awarded. You've got to take yes for an answer. If you prove your case with HRC and they change it, the calculation is going to change and the award changes.

COMMISSIONER MURPHY: If HRC sticks to its guns, we have no choice but to award.

MR. WALKER: Can we have that window?

COMMISSIONER MATTISON: That's subject to a vote. That's just my suggestion.

COMMISSIONER MURPHY: We have had a suggestion by our General Counsel that we put this over for five minutes.

MS. ROSALES: I'm expecting some information from Ms. Waller.

COMMISSIONER MURPHY: We're expecting some information. Would you all just stand down for about five minutes.

MR. ESQUIVEL: I understand the situation. All I trying to, myself, if it is voted, that we want to be in on that review because it sounds like ...

COMMISSIONER MATTISON: That's my intention. Any potentially theorectically aggrieved parties or people who want to go and address this notion with HRC are certainly entitled to do that.

COMMISSIONER MURPHY: Of course.

MR. ESQUIVEL: I understand where you're at. Thank you.

COMMISSIONER MURPHY: Let's put this over for about 10-minutes and take some other matters on the calendar. Item 5 I think is next.

Mr. Turpen left the meeting at this point.

5. Award Contract No. 2352 - Computerized Parking Control System

No. 94-0197

Resolution awarding Contract 2352 for furnishing and installing hardware, software programs and peripherals for the Computerized Parking Control System Enhancement project, to Trindel America Corporation and Elsydel, Inc.

Commissioner Strunsky said that he was surprised that there was so much interest in this contract, yet we received only one bid. He asked
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if the system was so proprietary as to just have one person capable of award, and, if that's the case are we getting the competition we want?

Mr. Sheldon Fein, Assistant Deputy Director, Landside Operations responded that a consulting firm prepared the plans and specs and attended the pre bid. He introduced Jeff Gemunder, Director of Project Management with Cerand and Company to respond to questions.

Mr. Gemunder responded that a number of companies attended the pre-proposal conference. As part of the pre-proposal process, prospective proponents were offered the opportunity to submit work called "Alternate Specification Requests" which give proponents the opportunity beforehand to request deviations in the specification requirements or another technical approach to solve the operational performance problems for the system.

The Alternate Specification Requests that were received for this project were administrative in nature and included Human Rights Commission issues as well. No technical questions were addressed.

As to why we received only one proposal, the project was designed to be an enhancement of the existing system. It will include on-line credit card processing, upgrade of the valet parking system in consideration for the existing system and to reuse existing hardware and software capabilities.

In addition, proponents were given an opportunity to either propose a replacement system or reuse existing components of that system. He assumed that the proponents concluded that they were not in a position to reuse existing components, and that to propose an entire new system wouldn't be in the best interest of the Airports Commission.

Commissioner Brooks asked if staff considered looking at a new system.

Mr. Fein responded that that was why we went with an RFP rather than bidding a specific contract. This told us that it is a lot cheaper to reuse the equipment we have rather than scrap everything and go with a new system, which would have come in at a much higher bid. He believed that that was why the other operators didn't bid.

Commissioner Brooks asked if staff is comfortable that our \$1.8-million estimate is a fairly accurate and the bid is within reason?

Mr. Fein responded that staff obtained costs for gate arms, various pieces of equipment and computers and came up with our engineers cost estimate. If this particular bidder had bid way in excess of that estimate, we would have gone through a different process. He believed a responsible bid was submitted. The contractor will have to maintain any existing equipment, warranty it and use it for ten years, the life of the contract. He believes that this method is more cost effective than pulling out the existing equipment and installing new equipment at a much higher cost.

6. Modification of Professional Service Contract - Contract No. 3183 - Environmental Clean-Up 1 - Wahler Assoc. in Association with AGS, Inc.

No. 94-0198

Resolution approving the modification of professional service contract for Wahler Associates in Association with AGS, Inc.

Mr. Costas explained that this is an addition to an existing contract to expand the scope of services of work.

Commissioner Brooks asked about the status of the work to-date?

Mr. Wong responded that the contract is structured job by job. When we advertised for RFPs we didn't fully know where the contaminated areas were so we selected three consultants and had them inspect areas we thought might be contaminated. As contaminated areas were discovered, projects were developed. We have gone through four projects on this particular contract; we are working on a fifth.

We are renegotiating the price and the contractor is willing to reduce their lab costs by 20 percent and their mark-up from 15 down to 5 percent. Staff felt it was more expedient to meet the expansion by modifying the contract and adding to the scope of work. The contractor will identify the type of contamination, the location, recommend remediation methods and oversee contractors when they are brought on to do the clean up and demolition.

Mr. Costas asked if their work has been satisfactory up to this point.

Commissioner Brooks asked how much of the original \$500,000 they have used.

Mr. Wong responded that we are within 15 to 20 percent of that amount.

7. Purchase of Remaining Term Value of Lease No. PUC 69-0798 for Plot 40 and the Superbay Hangar Facilities from American Airlines, Inc.

No. 94-0199

Resolution approving the purchase of the remaining term value of Lease No. PUC 69-0798 for Plot 40 and Superbay Hangar facilities from American Airlines; and issuance of a New Lease to American Airlines for use of a portion of the property and facilities.

Mr. Costas said this is a means by which we can re-acquire property which will provide the Airport with greater flexibility in development and use of the entire east side of the Airport.

Commissioner Strunsky asked if this was part of the Master Plan.

Mr. John Martin, Deputy Director of Business and Finance responded that it is not.

Commissioner Mattison assumed that the incremental money the Airport receives is the source of the 10-year payback of the buyout. Beyond that, the total rent being received is the source of your 9 percent on the complete bond refunding and full amortization of the bonds. We earn "x" percent on top of that.

Mr. Martin said that that was correct. The calculation of 9 percent is through the year 2009. The building has a useful life of an additional 30 years so we believe that we will actually realize a significantly return.

Commissioner Brooks understood that American is concerned that TWA, as a sub sublessee, may seek compensation for early termination. American is seeking to have the Airport indemnify them against any claim that TWA may make. She asked if we have agreed to that.

Mr. Costas responded that we have not agreed to that. That is part of the on-going discussions to resolve the MOU.

Mr. Martin responded that the City Attorney's Office opined that we cannot indemnify American. We also don't know what side agreements or side letters have been signed between American and TWA. Based on the lease and sub sublease documents the Airport has, we see no basis for TWA to make such a claim.

8. Award of Lease - North Terminal Hub Principle Concession

No. 94-0200	Resolution awarding North Terminal Hub Principle Concession Lease to Host International, Inc.
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9. Award of Lease - North Terminal Newsstand Lease

No. 94-0201	Resolution awarding North Terminal Newsstand Lease to Aaron's Concessions, Inc.
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Mr. Martin said that Aarons Concessions is an MBE/SBE. They operate concessions in Milwaukee and are opening facilities in Atlanta. He believed that we only received one bid due to the short term of the lease.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Commissioner Strunsky reminded staff that he received a commitment from Mr. Turpen that future Master Plan projects submitted to the Commission for approval must include reports identifying committed costs versus budget reports so that the Commission can see if the Master Plan is on-budget.

Mr. Costas responded that Commissioner Strunsky's request was acknowledged at the last meeting and those reports are being worked on.

Mr. Martin said that he has been through five drafts of that report. It should be finalized shortly.

Item nos. 10 through 21 were adopted unanimously.

10. Award of Contract 3182 - Parking Garage Improvements at Levels 1 and 3

No. 94-0202

Resolution awarding Contract No. 3182 to Inter-Coastal, A Joint Venture, in the amount of \$689,957.50.

11. Approve Budget and Award of Contract 5750 - Professional Services Contract for the North Field Cargo Facilities Project

No. 94-0203

Resolution approving budget & awarding Professional Service Contract to Stone & Webster/F.E. Jordan for design of North Field Cargo Facilities, Contract 5750, in the amount of \$3,783,500.

12. Bid Call - Contract 3432 - Plot 50 (A & B) Buildings 980, 984, and 1000 Abatement/Demolition

94-0204

Resolution approving final plans & specifications and authorizing Director to call for bids when ready.

13. Bid Call - Contract No. 3423 - Shotcrete - South Retention Pond

No. 94-0205

Resolution approving the final plans and specifications and authorizing the Director to call for bids.

14. Bid Call - Contract 3422 - Shotcrete - North Retention Pond

No. 94-0206

Resolution approving the final plans and specifications and authorizing the Director to call for bids.

An amended resolution was presented for Item No. 15 to reflect the appropriate expiration date of July 26, 1995.

15. Authorization for Pre-Bid Conference - Shoeshine Lease

No. 94-0207

Resolution approving holdover of North Terminal Shines and authorizing Pre-Bid Conference for the Shoeshine Lease.

16. Approval of Operating Agreement Specifications and Authorization to Conduct Pre-Proposal Conference for Operation of the Hair Salon

No. 94-0208

17. Authorization to Conduct Pre-Bid Conference - Catering Lease A and B in the Taxi Staging Area of Garage

No. 94-0209

Resolution authorizing Pre-Bid Conference for two Concession Leases (A & B) to provide Catering Service in the Taxi Staging area of the Airport's garage.

18. Design Approval - Lease for Duty Free/In-Bond Merchandise Sales

No. 94-0210

Resolution approving the design for the Lease for Duty Free/In-Bond Merchandise Sales.

19. Termination of the International Terminal Connector Hair Salon Lease to Kimberly Thompson as Lessee

No. 94-0211

20. Travel/Training for Fiscal Year 1994/95

No. 94-0212

21. Resolution Ratifying Personnel Actions

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

No. 94-0213

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4. Award of Contract 5826AR - Plot 41 Hardstands, Phase A

COMMISSIONER MURPHY: It is my understanding that after a check with the Director of the Human Rights Commission, he has indicated that would not be open to reconsider the decision concerning the applications for a 10 percent preference for a 7.5 percent bid preference was awarded. That leaves us with very little choice.

COMMISSIONER MATTISON: Ms. Waller, you just checked with Mr. Lee and Mr. Lee has declined to reopen or revisit ... he's very comfortable with the preference calculation decision.

MS. ROSALES: Yes, Commissioner.

COMMISSIONER MATTISON: That closes our door, unfortunately. I can't say ...

COMMISSIONER MURPHY: I'm sure that the comment of Mr. Lee is directed to this issue as opposed being willing to meet with people generally.

MR. COSTAS: That's correct. I understand from our Counsel that there is no appeal to that decision from HRC. That decision is in front of us right now.

COMMISSIONER MURPHY: That's why I say our hands are essentially tied. I am concerned that we keep the Master Plan project moving and I reiterate that a number of people in this room will benefit in other ways from the Master Plan. I understand the frustration and disappointment, particularly of Mr. Smith's organization, but I think that under the circumstances we can hear a final round.

MR. GHILOTTI: I've been a contractor for 45 years, in 1950 we got our license. The bidding process and bid specifications have gotten more and more refined and it was to take the bidding process out of any problems. When we came over to bid these jobs they said you must have a qualified minority licensed contractor. Derek Smith has a Masters Degree in construction. There's no other minority subcontractor bidding this job that has that background. We can prove we've done the job. We followed the plans and specs, we're licensed, we're bonded, he's a minority, he's licensed and he's got a Masters in construction. Now, if you're going to let another agency ... and I'm not criticizing the Human Rights, I'm making a point ... if we're going to bid these jobs and follow specifications and follow the bid documents and all of a sudden another agency is going to get to examine and in their interpretation, make a decision why they think he's 41 or 52 or 49 percent and not let you get the opportunity to answer that. I was told Friday. Now, we don't have a chance to say why did you think that Derek wasn't going to do this and Pavex was

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going to do that. They made the interpretation. I don't think that's fair and I don't think it's best interest of the City or the Airport. We all bid these jobs competitively. We tried to follow all of the plans and specifications but if somebody else makes a determination without us saying "No, Derek's going to do this or Derek's going to do that." They made the determination and I don't think that's the way the bidding process should be and I protest. I think you're going to have a lot more problems down the line when contractors honestly make a good faith effort and then Human Rights Commission will then decide well maybe there not going to do the trucking. We didn't get to talk so I don't think that's fair and I'm have to say it.

COMMISSIONER MURPHY: I understand your frustration and I understand Mr. Walker's frustration and I understand Mr. Smith's frustration. But we don't make those determinations and under the Charter that is not our job. We, in essence, have to assign that to the Human Rights Commission and that is where you should take your beef.

MR. WALKER: I'm not frustrated. My problem is now, we have now started something that is going to totally cut African Americans out. You know as well as we know we have not been given a chance no where in America. This agency has decided that they are going to make a dynamic step. If this is what you call a dynamic step, we're right back below square one. So what I'm saying is to echo more or less what he's saying? What's the game plan.

Lee done made a decision based on what his staff has told him that he never looked at, we never got a notice until Friday, now that I really just heard the whole story. We haven't got a notice until Friday. We have not had an opportunity to ask him what is he basing that on? Now you are saying that you are bound by that decision. I thought you were going to be bound by what the Commissioners thought that could help us as a people. You know as well as we know if you look at all statistics, African Americans among all minorities have received less than one half of one percent of any work in this country.

I'm saying are you committed to doing something or are you all just going to go and say "Well, we got a time restraint." They had a time restraint on BART and we got less than one tenth of one percent of the work. And we're right back where we started.

What do we have to do to show this agency or show the City that we have to demonstrate? What do we have to do? You all tell us what you all want us to do.

COMMISSIONER MURPHY: The thing that is within our province to do something with, within this Commission's province, we have done, which is to set up our small contractor program with a credit enhancement program to provide assistance in getting bonds, assistance in getting bank lines of credit. The very issues you were talking about half an hour ago. That program is set up. That program we can do. That does not require a bidding process and Human Rights clearance. Mr. Martin can describe it a great deal better than I can. But that program is designed to specifically address the kind of problems you brought

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before us today. When you were here a month or so ago visiting with us it was announced that very day. It kind of got lost in the discussion but that program is something we can do and we're going to do.

MR. WALKER: Let me just say this to you. That program is in progress. Also, the jobs are still going on and we're still left out. The bonding program is still conversation. Has not one African American benefitted from it. Not one of us has benefitted and if you look at the contractors that are working at the Airport, we are still not involved. I'm trying to figure out if we keep the rate that we're going, looking at critical paths and looking at this and looking at that and making decisions based on this, that and the other, before we know it the job will be over and we're still in the same position that we were in 1894.

I don't understand when you're going to start, when somebody's going to start to do something that will involve us.

COMMISSIONER BROOKS: Mr. Walker. I certainly emphasize with you and I certainly would like to see everybody at Hunters Point working, just as you would. It isn't our position to decide for the HRC but perhaps, as someone suggested earlier, the HRC should be discontinued and the bids should be bid without any consideration, aside from this bid. There are lots of other jobs coming up and I think Mr. Smith should not feel ... not give up. Many of us go into competitive bidding, those of us who are in business and we win some and we lose some.

MR. WALKER: Let me just say to you, Ms. Brooks, I think it's time for our community to start some form of demonstration at the Airport because I don't think right now, after listening to you all, I don't think that the position that you all are taking today is conducive to us. I deplore the fact that you allow Mr. Lee to make the decision. Mr. Lee has not talked to us; we have not been given an opportunity to explain anything. You're just ramroding this thing on the basis of some critical path. I think it's extremely unfair to us and I will call on the NAACP and every organization in this City to denounce the Airport Commission for the way they're treating us.

The bonding program you all are talking about and everything you all are talking ... believe me is still conversation. Has not one thing been put in place for us. Not one. Name one. Not one.

Do you mean to tell me that you all feel comfortable with all the money that this Airport, and all the Airport is spending and we have not been included under no circumstances. Can you sleep comfortable at night and say that we done done the African Americans a fair. We've helped America kill everybody in the world but we can't have a part in enjoying some of the fruits of the victory. This is what is so unfair to us.

I think you all should stop this contract situation, regardless of what Mr. Lee is saying and let's take a look at it. I don't see how they can give him 10 percent all the time and the minute he bids a job that's more than \$500,000 he's now denied the 10 percent. That's

what baffling everybody. And I think that you all deserve, we deserve your attention to at least look into it. Look at the records yourself. Before you make a decision today we deserve consideration. If we don't get it now, we're never going to get it. If you guys not going to stop and look and help us now, we're never going to be helped.

I don't understand about no critical path. Every job is behind. Every job you look at is behind. And I'm saying, what are we going to do as a people?

Now, if America has been fair to us one time, tell me when. That's all I'm asking. I just want you to stop this thing right here and have an opportunity to look at it. We want you to do that and we respectfully request that you do it. Don't make us do things that we don't have to do. Don't make us take to the streets. This is unfair to us.

COMMISSIONER MURPHY: If the MBE/WBE program, the bidding preferences in this City are not working, there are people that you should take that up with and it isn't this Commission.

MR. WALKER: Well, you're the one who's making decisions on whether you want to award right now. You know something is wrong deep down inside. Mr. Mattison knows something is wrong. Look at you. I know you know something is wrong. But what you're saying is you're bound by some stupid critical path and you all don't want to go against it. I'm asking you to wait a few days. I don't care what Mr. Lee said. If we have to take this matter to the Mayor's Office, we're going to take it to the Mayor's Office. We want a chance and we don't want to wait until next year because things are getting out of control.

MR. COSTAS: Mr. Walker, you have certainly brought up points that merit looking at what has gone here. I think the Commission has done everything it has been able to do, including rebidding this project the first time when there was some confusion about HRC criteria. Unfortunately it appears that the second run on this thing seems involve a new set of problems with HRC.

One of the things staff will be looking at again ... we'll be talking to our Counsel and with the Commissioners, just to see and talk with the HRC about the criteria that's being applied to the Airport.

The Commission has been absolutely correct in saying that it's not a matter of this critical path as why the decision has to be made to today. As by Charter we are obligated to accept the final determination by the HRC on this.

The program that we have been working with, your particular program and the programs that we've talked about minority contactors, I've been advised by staff that within a month we'll be coming to the Commission with a recommendation in terms of the banking institutions, is that correct John? And by November we should have a program.

I know it's very frustrating. This is a 10 year program. We only have one contract that literally is being built right now. We have over 100 Minutes, September 20, 1994, Page 47

and some odd large contracts and I don't know how many more, Gene, we have beyond that. It's not running by you. I ask, and I think the Commission would ask, for some patience on our program here. There is an absolute commitment here, and absolute commitment. If it wasn't, we wouldn't have gone as far as we've gone at this point. This decision, listen, honestly, this decision has to do with the frustration of dealing with maybe some criteria that may want to be relooked at. It's not within the purview of this Commission, though. But the Commission has gone out far enough, absolutely far enough to take care of the concerns you're talking about. Work with us on this one.

MR. WALKER: Every Commission in this City has said the same identical words that you have said. Believe me. But what I'm saying to is this. Listen. Every day my daughter eats. Every day your daughter eats. Every day food costs the same. You can sit and ask us, comfortably, to ask us to wait. Because we don't have to eat like you all. We don't have bills to pay like you. We don't have insurance to pay like you. No. It's okay if our stuff is repossessed. I ask if that's the case, why don't you all do this ... since the banks haven't done nothing as of today, stop all the work at the Airport until African Americans are allowed an opportunity to do it. I'm saying it's coming to a point now something needs to be done for us. We're asking you to do it. Why won't you do it?

COMMISSIONER MATTISON: You want us to just wipe out the bids. In other words, if you question the commitment of this Commission, it's a real shame. It's a real error and it's a real shame but you're entitled to do that all day long if you want to. It's kind of too bad. I, and I know from a sense of the other Commissioners, bend over backwards every way possible to try to make the progress, bending the rules, twisting the rules, looking at the rules. We have things we've got to live with.

MR. WALKER: Okay. I agree with you, Mr. Mattison.

COMMISSIONER MATTISON: We've got one bid here, we've got five bidders. We're trying to figure out all sorts of ways to deal with this notion that HRC made a judgment call that wasn't right. We tried to come up with a way to give them a shot to take another look at it. They come right back to us and say no ambiguity, no nothing. We looked at it right. The answer is right. It's fair. There is no appeal. We don't want to revisit the issue. We're talking to the people that control the rules; the people that tell us this is the decision, now you go with the low bid. And that's really ...

MR. WALKER: Are you saying, Mr. Mattison, then that if in your opinion and the other members of this Commission's opinion is that ... let's imagine that all of you thought that that agency was wrong, you mean to tell me that you would still act on a wrong decision that you know is wrong.

COMMISSIONER MATTION: No. I think you're probably, I think, on point that as human beings we'd say "Wait a minute. We don't like that. We don't think that's correct." We don't have any way in the world to be able to judge that they made a wrong analysis. As far as I know they could have awarded everybody 10 percent and we'd be exactly where we are now. You're saying Ghilotti/Marinship should get 10 percent and everybody else should get 7.5 percent or something should change. It may be true. I have no way of knowing that.

MR. WALKER: No, that's not what I'm saying. That's not what I'm asking you to do now. I'm asking you and staff to make a judgment of your own. Take a look at it. Let us stop and take a look at it to see and if you find that they were right ... I think you owe us that. I think we've been in America long enough to ask you to do this for us. We haven't, regardless of how you slice it, and I know the agency means well ... but it don't make no difference how well you mean. We have not been included. I know you mean well. I know she means well. And I know he means well. I know you by reputation but what I saying is all the things that you have done, name one that has worked for us.

COMMISSIONER MURPHY: Mr. Walker, this is the only Commission, this is the only City Department as far as I know that has come up with a program that is tailor made for small contractors with credit enhancements, with advice on accounting, with bank support, where we're putting out money into making opportunities available for small contractors.

MR. COSTAS: That is absolutely right.

COMMISSIONER MURPHY: We are the only Commission in this City that has done that. If you know of another Commission, tell me about it so I can go learn from them.

MR. WALKER: May I ask you this ... okay, if you have made that decision then when, if we ask, that we should expect to be able to take advantage of some of that.

COMMISSIONER MURPHY: That's a good question. Mr. Costas. Mr. Walker asked a perfectly good question ... whe will this small contractor program be up and operational. I thought you said November.

MR. COSTAS: We expect, and I'll have John fill in the details, and that's why when you talking ... but I wanted to make sure that we were still on track ... we will be to the Commission probably by November with approval and the program will be effective and usable in the first quarter of 1995. Is that correct John. There is not one day in between us talking about this from the Commission action that we haven't worked on it. And that's a lot. We have been working continually on this program.

Again, only because there a lot of projects still to be had and we want to make sure the opportunities are up front to get on board. Absolutely.

MR. WALKER: So you're saying now that in 1995.

MR. COSTAS: January, February.

MR. WALKER: That's 1995. I'm saying to you ... I just want to show you something ... the billions and billions of dollars that were spent on BART, we weren't able to participate. The billions of dollars that's being spent in the City, we haven't been able to participate. Our companies are dying for lack of payment of equipment, insurance, etc. You mean that the earliest that we can expect to receive relief will be in 1995. And if anything goes wrong and it doesn't happen then, what am I going to tell my truckers and my contractors that happened. I do not believe, between you and I, that the banks or the bonding companies or that gentlemen you talked to ... I would bet you \$1,000 right now it won't be ready in January. And anybody want to take me up., I'll bet \$1,000 to \$100.

COMMISSIONER MURPHY: If you're concerned about that, Mr. Walker, there's one extremely useful thing you can do and the other people who spoke in here today can do which is come and work us and make the program a success.

MR. WALKER: When we tried to work with you, when we tried to work with Ms. Crumpler, when we tried to work with this other bonding company that came out to my office ... do you know what they came out and told me Friday? They were interested in helping us get involved in contracts of \$100,000, \$200,000 that had absolutely nothing to do with the Airport. I got into the biggest argument Friday in a meeting with them ... this company ... ARISCO came to my office Friday. If you had been there you would have not believed what they told us. They are trying to help bond us on contracts that are unrelated to the Airport. The gentlemen who was in my office was named Mr. Johnson. I talked to his boss, Mr. Richardson and I told him that if the Airport was paying him what is he talking to me about the sewage treatment plant?

COMMISSIONER BROOKS: Isn't that another issue, though?

MR. WALKER: No. This is the issue. That you've employed somebody and you're paying them Airport money to help us and they're talking the sewage treatment plant. I'm saying that this thing is going out the world backwards. All I want you to do is take a look at this particular contract.

MR. COSTAS: Mr. Walker. Thank you very, very much. Let me invite you, right after this meeting, to talk to myself, Mr. Martin. We have
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a meeting scheduled right now for a continuation of this program that the Commission has set forth to help the contractors of your particular community.

January may seem to be out of a timeframe while you're sitting here hurting on this one contract, but the majority of the Master Plan program contracts will not be out until the second to third to fourth quarter of next year ... the ones that really mean anything ... the real meat to this. And Gene can testify to that. We'd like to talk to you about that right after this.

This particular contract, as the Commission may so desire, given the direction that it has and the decision by the HRC and, in fact, unappealable decision by the HRC, the fact that we have, in fact, rebid this thing. It may appear to be a loss at this time. It may appear to be a loss to your cause in terms of what you're trying to achieve. It's not a loss of the cause that we're starting to work for on your behalf. But our Commission has to, in fact, make a decision today. I think it will be prudent to keep the program going so that so we do have future contracts. So we do have those contracts.

MR. WALKER: Let me ask you to do one thing for us. Will you insist that someone at the Airport be commissioned with the authority to totally monitor the contracts. Can African Americans with the Tutor-Saliba contract and with this new contract you're letting because once it leaves your office we are totally lost and out of even working as employees. I'm saying, okay, you can have that, but what else we know about these contractors, when they leave out this room, including and particularly, emphatically Landivaso are the worse violators in this room. How and what are you going to do about them who don't live up to the spirit of the letter of this affirmative action. What are you going to do about it?

MR. COSTAS: Mr. Walker, your request was to assign someone to make sure that we're monitoring these contracts. We will fulfill your request and we will advise you how that's being done.

COMMISSIONER MURPHY: Mr. Walker, just call me at any time. I want to get a dialogue going, I want to get you and the other people who have spoken today involved in our special contracting program. It's not for \$100,000 jobs and \$200,000 jobs. That's not what I have in mind and it is not what this Commission has in mind. You'll find out when it comes to the Commission. I want what comes to the Commission to be something you and the other people who've spoken today have taken a look at and are satisfied with it as a good faith effort to really do something.

MR. COSTAS: We want a presentation that is as long as this at the end of the day giving accolades to the Commission for a great program.

MR. WALKER: Thank you.

MR. COSTAS: You're welcome.

COMMISSIONER BROOKS: I think a lot of good has come from our discussion today and I would like to move approval.

COMMISSIONER MURPHY: Second.

COMMISSIONER MATTISON: On the subject of compliance, it would be good to come back with a little bit of an update and a future, maybe the next month, session on who the compliance monitoring officer might be, what scope of work, how we can keep tabs on making sure the people who were committed to compliance, particularly in regard to the preference calculation, how that's going on, what the grievance procedure might be, and basically how to exceed our expectations in this area as opposed to just barely squeek by in compliance.

MR. COSTAS: Agreed Commissioner. We will do that.

COMMISSIONER MURPHY: That concludes our calendar.

* * *

I. NEW BUSINESS:

There was no discussion by the Commission.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(b)(1) to discuss potential litigation.

The closed session was not held.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:25 AM.



Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

OCTOBER 4, 1994

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Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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Airports Commission

October 4, 1994

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Minutes
of the
Airports Commission Meeting

October 4, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:10 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Patrick A. Murphy, President J. Stanley Mattison, Vice President L. Andrew Jeanpierre Marie K. Brooks Michael S. Strunsky
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Absent:	L. Andrew Jeanpierre
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* * *

C. SPECIAL ITEM:

Item no. 1 was put over to the next meeting.

1. Election of Officers

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky said that in June of 1994 the San Francisco voters approved Proposition I which directs the Airports Commission to accomplish certain things regarding BART's eventual arrival at the Airport. He introduced a resolution that would set the wheels in motion to accommodate BART and asked that it be calendared for action at a future meeting.

Ms. Mara Rosales, Airports General Counsel requested that the resolution be referred to her office so that she can approve it as to form.

Commissioner Murphy assumed that Commissioner Strunsky was willing to have his resolution redrafted by the City Attorney's Office, in consultation with him, to address any problems that might be identified in the resolution.

Commissioner Murphy said that the present resolution does not include a cap in the amount of expenditures and asked if one should be included. He said that in a recent communication with BART, Mr. White indicated that the cap would be \$200-million.

Commissioner Murphy said that the resolution also seems to assume that Alternative 6 will be selected. While that is highly probable, it is not a done deal. He assumed this would be conditioned on BART and MTC selecting Alternative 6.

Commissioner Strunsky said that both of Commissioner Murphy's suggestions were acceptable to him.

Commissioner Murphy referred the resolution to staff and the Airport's General Counsel for review, comment and redrafting as appropriate. He asked that Commissioner Strunsky and the rest of the Commission be kept advised.

Commissioner Strunsky asked when this would return to the Commission.

Ms. Rosales felt that the legal review should be completed in time for the first meeting in November.

Commissioner Strunsky said that the resolution is conditional upon BART coming to the Airport and ensuring that the Airport is not hurt by BART not arriving.

* * *

E. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 2 was adopted unanimously.

2. Travel/Training for FY 1994/95

No. 94-0214

* * *

F. NEW BUSINESS:

There was no discussion by the Commission.

* * *

G. CORRESPONDENCE:

There was no discussion by the Commission.

H. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:15 AM.


Jean Caramatti
Commission Secretary

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MINUTES

DECEMBER 6, 1994

9:00 A.M.

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Director Of Airports

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of the Minutes
Airports Commission

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Minutes
of the
Airports Commission Meeting

December 6, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Hon. Patrick A. Murphy, President
Hon. L. Andrew Jeanpierre
Hon. Marie K. Brooks
Hon. Michael S. Strunsky
Hon. Roland A. Quan

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meetings of November 1, 1994 and November 15, 1994 were adopted by order of the Commission President.

No. 94-0250

* * *

D. SPECIAL ITEMS:

Item Nos. 1 and 2 were adopted unanimously.

1. Election of Officers

Commissioner Brooks nominated Commissioner Jeanpierre for Vice President. The nomination was seconded by Commissioner Murphy.

No. 94-0251

2. Commendation for J. Stanley Mattison

No. 94-0252

Commissioner Murphy agreed with the Director's recommendation and said that Commissioner Mattison was an exceptionally able and dedicated
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Commissioner, providing much insight and diligence to his job, while maintaining a sense of humor.

Commissioner Jeanpierre said that Commissioner Mattison left some exceedingly large shoes to fill. He was a great Commissioner.

Mr. Turpen reminded the Commission that Commissioner Mattison served on the Art/Airport Joint Committee and a replacement will have to be selected. He said that former Commissioner Bill Coblentz served on the Committee, and Jason Yuen currently serves. He said that the Commission may want to consider asking former Commissioner Mattison to continue in that capacity. We should come to some conclusion at the next Commission meeting.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Item nos. 3 and 4 were adopted unanimously.

3. North Terminal Hub Principal Concession Lease - Minority-owned and Woman-owned Business Enterprises

No. 94-0253

Resolution approving Host International, Inc. Sublease of the Sports Shop to Aaron's Concessions, and the Sublease of the California Product Shop and the Music/Electronics Shop to the California Shoppe.

Mr. John Martin, Deputy Director, Business and Finance explained that this resolution approves the award of the MBE/WBE subleases for the North Terminal Hub Principal Concession leases. Aaron Concessions has been selected by Host as the MBE for the Sports Shop. They currently operate a sports shop in Atlanta Airport.

The California Shoppe has been selected as the WBE for the California Product Shop and Music/Electronics Shop. They presently have the California Product Shop in both the North and the South Terminal.

Commissioner Murphy asked where this will be located in the terminal.

Mr. Martin responded that it will be in the North Terminal Hub, at the end of the concourse, past the art display.

Commissioner Jeanpierre noted that we wanted 20% for MBEs and 20% for WBES. In this particular case, 10% was given to the MBE and 10% to
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the WBE. He asked if it was our intent to do 30%?

Mr. Martin responded that our intent was to do 30% total to M/WBEs. This plan puts us at the 30% level in that the California Product Shop is both MBE and WBE.

He explained the the California Product Shop will have 882 sq. ft., which is 20% of the total area.

4. Award of Airport Revenue and Business Management System Agreement

No. 94-0254	Resolution awarding the Airport Revenue and Business Management System Agreement to The Bowman Group in the amount of \$386,826.00 for system installation and \$31,731.00 for maintenance fees.
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Mr. Martin explained that this resolution will approve the award of a contract to install a comprehensive Airport Revenue and Business Management System. The functions will include all invoicing of revenue reporting for the Airport, it will track all tenant leases and permit data, including tenant's bonds and insurance, and will record all the air traffic data.

Mr. Martin added that this system has been proven to work at other airports and it has been tailored to meet the unique needs of SFO.

Commissioner Strunsky asked how long it will take to install the system and does it require new hardware.

Mr. Martin responded that no additional hardware is required. The system will be operational and the staff will be trained by late Fall, 1995.

Commissioner Brooks asked to what the 15% and 20% referred.

Mr. Martin responded that the 15% applies to capital costs in the amount of \$383,000; the 25% applies to the \$31,000 in maintenance.

Item nos. 5 and 6 were called together and adopted unanimously.

5. Renaming of the Bureau of Community Affairs to the Bureau of Communications

No. 94-0255

Mr. Turpen explained that Item Nos. 5 and 6 are an attempt at an organizational clean-up. Environmental issues will become more and more critical to us as we move into the Master Plan. The Bureau of Planning has assumed that responsibility.

Previously, the Community Affairs Office had been doing much of the liaison with CCAG, the Roundtable, etc., but we now see their role
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more in terms of disseminating information.

We are in the process of activating our own radio station to provide traffic information. We also have a number of informational brochures. We want to consolidate all of these activities through Mr. Wilson's office. He will continue in his traditional function but will be relieved of responsibilities such as CCAG and the Roundtable. We want to capture all of those activities related to the Master Plan and our environmental commitments in the mitigation program in one shop so they can be monitored and we can fulfill our requirements.

This action does not entail any personnel changes or additions. It is an internal redefinition and consolidation.

6. Renaming of the Bureau of Planning to the Bureau of Planning and Environmental Affairs

No. 94-0256

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 7 through 14 were adopted unanimously.

7. Retirement Resolution - Robert M. Epifanio

No. 94-0257

8. Award of Contract No. 3422 - Concrete Lining - North Retention Pond

No. 94-0258

Resolution awarding Contract 3422, Concrete Lining - North Retention Pond to Marinship Construction Services, Inc. in the amount of \$307,140.00.

9. Award of Contract No. 3423 - Concrete Lining - South Retention Pond

No. 94-0259

Resolution awarding Contract 3423, Concrete Lining - South Retention Pond to Marinship Construction Services, Inc., in the amount of \$242,725.00.

Commissioner Quan noted that two of the three bidders were disqualified and asked if there was something staff could do to insure a wider participation.

Mr. Jackson Wong, Deputy Director, Facilities Operations and Maintenance responded that staff will take a look at future contracts
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to determine if the process can be improved.

He explained that this contract was advertised. Staff attended community meetings, used HRC outreach lists, HRC certified African American contractors lists and our Outreach staff personally spoke with each contractor. The pre-bid notice indicated that it was mandatory that contractors attend the pre-bid conference where staff went through the bid documents.

Commissioner Murphy said that our program is designed to provide more than just an opportunity to bid, it provides opportunities to receive training, accounting help and even financial assistance.

Commissioner Jeanpierre said that the first two bidders who were disqualified were unfamiliar with HRC documents and procedures and will have to get up to speed.

Mr. Turpen said that Ms. Crumpler might be able to help with that. He asked her to give the Commission a briefing on what happened with these contracts.

Ms. Sandra Crumpler, Outreach Officer, explained that there are 8-10 African American certified contractors on HRC's list for general contractors. Staff anticipated about 3-5 bidders on this contract.

Ms. Crumpler said that Darryl Smith had not received HRC certification as of a couple of months ago so he was not on the list of certified contractors, but was on her list of registered firms. We have a larger pool of registered African Americans but because of certification requirements, there is a shorter pool of contractors.

Commissioner Murphy asked if this was a log jam at HRC or was it that people are not experienced at how to go about getting certified.

Ms. Crumpler responded that it takes 6 to 8 weeks to get certified. When she spoke with Jackie Hale about some other certifications for our concessions, she was told that there is a backlog. When contractors bid on Airport work, she asks them to submit a letter to HRC stating that they are bidding on a particular Airport contract and they would like to be certified as quickly as possible. Ms. Crumpler instructs contractors to call her if they have any problems and she then calls HRC directly.

Commissioner Jeanpierre noted that the problem here focused on a misunderstanding of HRC forms.

Ms. Crumpler said that in this particular case the contractor failed to attend the pre-bid when the forms were clarified.

Commissioner Quan explained that he does not have a problem with the program, his concern is that it appears that two of the contractors were disqualified because of paperwork.

Ms. Crumpler agreed. She said that there will be a pre-bid on Thursday, December 7 for another set aside and more time will be spent on the forms.

Commissioner Murphy added that part of the point of the program being implemented is to provide assistance with paperwork.

10. Authorization to Conduct Pre-Bid Conference
Airport Public Automobile Parking Facilities Operating Agreement

No. 94-0260

Commissioner Quan noted that item 3 on the second page indicates that successful bidders should use best efforts to contract for services. He asked if it would be appropriate to ask for best efforts for historical data since we are asking that bidders have 5 years previous experience in public parking facilities and 2-years experience in handling public parking facilities over \$4-million in gross revenue.

Mr. Turpen said that Commissioner Quan spoke to him about this issue earlier after which he spoke with the Airports General Counsel. The advice he received was that we can ask for historical data without getting into specific names of individuals. As long as we stay with data, which would include their past efforts, whatever percentage their employees and/or subcontractors might be, we can structure something meaningful and it would give us some idea of their track record. He thought perhaps going back three years might be appropriate.

Commissioner Murphy agreed. He thought this might also be helpful in the hiring of law firms. He said that we have minority-owned law firms, however, other law firms have different degrees of effort and different degrees of success in involving women and minorities.

Mr. Turpen agreed.

11. Authorization for RFP - Information Booths at S.F.I.A.

No. 94-0261

Authorization to issue an RFP for the Airport Information Booths in the lower level baggage claim areas of the terminals. The current contract expires October 14, 1995.

Mr. Pete Singer, Vice President, QuickATM read from the attached text.

Mr. George England, Luxor Cab driver and member of the United Taxicab Workers, said that he would like the Information Booth to be more impartial. He said that passengers seeking information on transportation to San Francisco were usually being persuaded to take shuttles. He said that one individual working in the Booth provided written information on the various options and asked the passenger to make his own selection. That is the way it should be handled.

Mr. England said that in passing the Information Booths he notices the employees either talking among themselves or to an occasional

passenger. He does not believe that they are utilized any where near the extent that they claim. He thought that possibly combining this with the computer system might be a more efficient.

Mr. England said that his real concern is that taxi drivers should be a part of this process. He said that he would like to know when meetings are held to discuss the next Information Booth bid.

He complained that the information presented on the fact sheets was very limited. At one time the fact sheets did not even provide information on taxi rates for the downtown area.

Mr. England said that he is looking for fairness, information rather than persuasion from the booths and the inclusion of taxi drivers in the process.

Commissioner Strunsky commented that Burbank has automated terminals and he thought they were great. He hoped that that type of option would be fully investigated and that it could possibly be tacked on to this contract.

Mr. Sheldon Fein, Assistant Deputy Director, Landside Operations responded that we have seen the system at several other airports and the for the first time we saw a system with potential. We want to supplement the existing system. The operators that do this type of work joint venture with people who do the counter work.

Commissioner Murphy said that it seemed to him that for both flexibility and a possible cost savings we ought to consider both approaches of a joint venture and separate bids.

Mr. Fein said that as the firms come in with proposals we may ask if they want to do a combination or separate proposals. We will look at both approaches.

Commissioner Murphy asked that Mr. England be included in this process.

Mr. Fein responded that he will be sent a copy of the first RFP draft.

Mr. England, referring to the media campaign, provided a copy of an ad that appeared in a local paper and said that last year, when he called the 800 number that appeared in the ad, he was read a list of shuttle companies and their phone numbers. When he asked about taxicabs, he was told to look in the phone book.

He also said that the only vehicles that carry the share-the-ride logo were Super Shuttle vehicles. Everyone should participate in a program of this sort.

12. Authorization to Receive Bids - Shoeshine Lease

No. 94-0262

Resolution approving lease
specifications and authorizing staff to
receive bids for the Shoeshine Lease.

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13. Resolution Approving Professional Legal Services Agreement with Law Firm of Ruiz & Shapiro to Provide Employment/Labor Law Services

No. 94-0263

Resolution approving Professional Legal Services Agreement with MBE law firm of Ruiz & Shapiro to provide employment/labor law services at an initial contract amount of \$50,000.00.

14. Design Review for Hub Lounge and Rental Credit to Host for Work Performed on Behalf of the Airport

No. 94-0264

Resolution approving the design and development of a lounge facility in Boarding Area "F" and authorizing a rent credit to Host for providing utilities, public seating and perimeter wall at the site on the Airport's behalf.

* * *

H. NEW BUSINESS:

Mr. Turpen asked Jackson Wong to brief the Commission on the Airport's water main break.

Mr. Wong said that at around 7:00 AM a 24 inch water main broke at the end of Runway 28R. That water line services the superbay area. We were able to bypass the area so that service to the superbay was not interrupted.

Construction crews are working 24-hour shifts. Last night the crew excavated down 14 feet. The plumbers will begin patching the break this afternoon and secondary crews are checking the pavement surrounding the area. Depending on how widespread the repair will be, we estimate four to five days of downtime.

Commissioner Murphy assumed that we are doing everything we can to get the runway back into service.

Mr. Wong said that we were.

Mr. Turpen explained that the rupture is on the bottom side of the pipe and it is right next to the high pressure Chevron feed across the Bay. That runway is 11,900 feet. We had it down to 8,800 and then up to 9,800. We will try to push it back to around 10,000 ft. for takeoff, but anything to Hong Kong will probably have to have a weight restriction of about 50,000 pounds to make the distance. A 747-400 weighs 850,000 pounds gross so there will be some restriction in baggage, cargo, passengers, fuel. This is not unlike what the airlines used to go through before the 747-400. It is expected that most flights will continue normally.

The Commission will be kept advised.

Commissioner Murphy asked Mr. Bishop if he wished to address the Commission. He explained that the Commission has already approved the item in which he was interested.

Mr. Darryl Bishop, Let's Get Busy Contractors, said that he was the second low bid on Contracts 3422 and 3423 and was concerned that they were being awarded to the third low bidder.

Mr. Bishop said that HRC has determined that he was non-responsive in both of his bids. He said that the Airport failed to contact him and overlooked his bid. He said that the Airport did not give him a chance to go over his documents during the five business days allowed.

Mr. Bishop hoped that this contract could go out for re-bid.

Commissioner Murphy said that the Commission would not be able to re-bid the contracts because they were just awarded. He said that the Airport has many more contracts coming and staff will work with him and others in his situation to make sure that the paperwork does not trip him up.

Mr. Bishop said that he does not feel that the paperwork tripped him up. The Airport contacted Oliver and Marinship and he should have been contacted as well. He said that he feels that he was ignored and his bid was disregarded. The Airport should have discussed this matter with him. He does not condone some of the Airport's methods of awarding contracts. Information should have been mailed to his business address so that he could have had more time to work on the project. He said that it was a short time span and he did a good job with the information he gave the Airport. He was rejected because of the WBE, which could have been listed with the WBE within the five business days.

Commissioner Jeanpierre asked Mr. Bishop if he learned anything from this.

Mr. Bishop responded that he learned that if things are not in order, he might be the one to suffer.

Commissioner Murphy added that the Commission had a discussion about this before Mr. Bishop arrived. The Commission has asked the staff to look into ways to work with people like him to make sure that these misunderstandings don't occur. The Airports Commission is not a court of appeals for the HRC. If the HRC declares a contractor to be non-responsive, that's it.

Mr. Bishop said that he understands that but the problem is that he is a new business and he is working by himself. If he had five days to work with the Airport he could have proven good faith effort and provided other subs he had planned for the project. Those five days were not given to him. His opportunity was taken from him.

Commissioner Jeanpierre said that that is in the past. We have to move forward.

Mr. Bishop said that he has to look to the future, but he is the victim now. The Airport was going to award this contract to Marinship without even contacting him.

Mr. Turpen recommended that Mr. Bishop sit down with Ms. Crumpler and Mr. Wong after the meeting.

Mr. Bishop said that he spoke with them and they told him that they would help him in the future. That has nothing to do with what happened now.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airports Commission will go into closed session to confer with Legal Counsel in accordance with Government Code Section 54956.9(a) to discuss a settlement of litigation entitled Dancoisne v CCSF; and, Domar v City of Los Angeles (CCSF, et al amici curiae).

The Commission unanimously determined that it is not in the public interest to disclose the nature of the discussion.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 9:43 AM to go into closed session.


Jean Caramatti
Commission Secretary

20/94

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

DECEMBER 20, 1994

9:00 A.M.

ROOM 282 - CITY HALL
CITY AND COUNTY OF SAN FRANCISCO

FRANK M. JORDAN, MAYOR

COMMISSIONERS

PATRICK A. MURPHY
President

L. ANDREW JEANPIERRE
Vice President

MARIE K. BROOKS

MICHAEL S. STRUNSKY

ROLAND A QUAN

LOUIS A. TURPEN

Director Of Airports

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

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of the Minutes
Airports Commission

December 20, 1994

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Minutes
of the
Airports Commission Meeting

December 20, 1994

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:06 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Hon. Patrick A. Murphy, President
	Hon. Marie K. Brooks
	Hon. Michael S. Strunsky
	Hon. Roland A. Quan

Absent:	Hon. L. Andrew Jeanpierre, Vice President
	was absent in order to attend the
	Mayor's meeting on the FY 1995-96 budget.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 6, 1994 were adopted by order of the Commission President.

No. 94-0266

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Murphy asked how the Airport's money was invested.

Mr. John Martin, Deputy Director, Business and Finance responded that the City Treasurer invests all of the Airport's operating capital funds in U.S. Government securities, all AAA rated. There are no investments in the type of products used in Orange County.

Mr. Martin said that Airport staff directs the Bond Trustee in investment of bond reserve funds and monthly debt service set asides. They are also invested entirely in Federal securities rated AAA. The monthly debt service set asides investments are matched to the six month principal and interest payments to bond holders. The bond reserve funds investments have maturities of from one to three years.

Commissioner Strunsky noted that the BART Quarterly Report indicated that Airport staff met with BART's engineering staff to work on the BART to SFO extension and wondered if it was progressing smoothly.

Mr. Turpen said that Airport staff met with BART about two weeks ago. That meeting physically defined the location of the station. The current site is actually a better operational location than the previous one because passengers will not have to back track.

Mr. Turpen said that open cutting across the main roadway remains an issue. We are resistant to open cutting because of the resulting operational problems. BART has suggested an alternate scheme where they would drop down another 35 feet to 80 feet below ground level. A tube would be constructed with pre-cast sections inserted from either side of the roadway from two large pits which would be dug on either side of the main roadways, adjacent to where the terminals are today. A tunnel would be dug under the roadway using pre-cast sections, similar to Washington or the London tube system.

Mr. Turpen said that he likes this better because it does not involve open cut in the roadways, it gets down closer to bedrock, which is better than what is found closer to the surface, thus reducing the possibility of finding hazardous materials. He believed this was a more cost effective alternative on a total cost basis.

Mr. Turpen said that BART is expecting to have both options cost out and a decision will be made at that time. The horizontal component of location has been established; the verticle component is somewhere between 40-80 feet, depending on which alternative is selected.

Mr. Turpen said that we are still waiting for a response from the FAA on funding. That response will not be forthcoming before January. He said that FAA representatives will be coming out to make an on-site inspection.

Mr. Turpen said that operationally the new location is significantly better than anything that has been discussed in the past.

Mr. Turpen said that the major issue will be whether or not we open cut. He explained that if the station were 800-1,000 feet further away we could probably open cut because we could re-route traffic. The current location is at the base of all the ramps to the garage and to the upper and lower roadway. Open cutting in that location would make it extremely difficult to keep an unimpeded operational flow, particularly for the amount of time BART says it will have to be kept open.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 1 through 3 were adopted unanimously.

1. Airport Surety Bond Program

No. 94-0267

Resolution approving parameters of the
Airport's Surety Bond Program.

Mr. Martin explained that this establishes the parameters for the
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Airport's Surety Bond Program and authorizes staff to solicit and receive proposals to serve as the letter of credit provider. This is a six month pilot program, which incorporates significant input from various community groups. By using a six month pilot program we will be able to make adjustments and refine the program.

Mr. Martin explained that the Credit Enhancement Fund will be leveraged through the use of letters of credit to \$2.5-million.

Firms will be registered in January and February. We will assess the firms and their background and ascertain their specific needs. The formal training program will begin in March. We could begin providing credit enhancement for some firms prior to that time.

Commissioner Strunsky said that this program has to work its way through one or more construction projects to actual completion of the construction project. He asked if we are really going to see something at the end of six months.

Mr. Martin responded that he was viewing the six months as starting on the date the training begins in March. He plans to report back to the Commission in September on the status of the program.

Mr. Martin said that within the next few months we will see contractors who may be rejected for surety bonds initially, but with the credit support will be able to obtain a surety bond.

Commissioner Brooks asked if there were specifications for a funds control manager.

Mr. Martin responded that the surety bond companies and banks would select fund control managers.

Commissioner Quan said that he had some concerns about the six month trial period. The proposal indicates that the applicants had to be rejected by two banks or they had to demonstrate that they could not obtain a bond or a line of credit. It could take months before a firm could receive a response.

Commissioner Quan also noted that there is a \$2.5-million line of credit and asked what the total volume of construction will be in relationship to that amount. He asked how many firms we anticipate assisting through this program.

Mr. Martin responded that we will probably see 40-50 firms in the initial training classes. It is difficult for us to assess how much that \$2.5-million will correlate with a 40% cap on surety bonds and a 50% cap on the contribution level for construction loans when the maximum amount will be \$5-million or a little less than \$5-million for the leveraging. We expect that a number of firms, just as a result of the training program, will do a better job in completing applications and improving their financial reporting so that they will qualify for loans and bonding on their own and not need to access the credit enhancement fund. We hope to see much more participation in the program and more work going to the contractors.

With respect to the banks, we recognize that the process is lengthy
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and we want to begin working with the firms as soon as they go through that training program.

Commissioner Quan assumed that this program will cover approximately \$5-million in construction work.

Mr. Martin said that he hoped that it would cover a lot more because there will be firms that will not need credit enhancement support but will still receive service under the program.

Mr. Martin said that within the next six months we will have about \$40-50-million in construction contracts.

Commissioner Murphy said that we have been wrestling with this for several years. The thought was to have a facility that would allow MBE and WBE contractors to participate in the project. This is a special program for people who lack bonding capacity and lines of credit.

Commissioner Quan thought this was an excellent program and was not aware of any other City department that has anything similar. His complaint is that while there have been some excellent programs we don't know how to outreach.

Mr. Martin explained that part of the program is to work closely with community organizations. Several of the organizations will participate in the training part of the program as well as the outreach efforts.

Commissioner Murphy said that he is pleased and encouraged at the level of support received from financial institutions and surety bonding companies..

2. \$720,300.00 Supplemental Appropriation for 34 New Positions Related to the Implementation of the Airport Master Plan and to Airport Maintenance

No. 94-0268

3. San Francisco International Airport Noise Regulation Sideline Limit

No. 94-0269

Resolution postponing the Commission's consideration of reducing the Airport's Noise Regulation Sideline Limit below 103 EPNdB until January of 1995.

Mr. Turpen said that the Airport's noise regulation requires the Commission to revisit the question of whether or not to reduce the sideline noise level, 103 EPNdB, at the end of 1994. The Commission has historically asked the Roundtable for its position on the matter. As the Roundtable has not yet concluded its review, it is appropriate for the Commission to extend the deadline in order to be consistent with the regulation and to allow the Roundtable time to make its recommendation to the Commission.

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 4 through 11 were adopted unanimously.

4. \$26 Million Supplemental Appropriation Request - Issue 7 Bonds

No. 94-0270 Resolution approving request for \$26,000,000. supplemental appropriation of Bond proceeds to refund outstanding SFAIC Superbay Hangar Bonds.

5. \$26 Million Superbay Hangar Refunding

No. 94-0271 Adoption of third supplemental resolution authorizing the Issue 7 Bonds to refund the SFAIC Superbay Hangar Bonds.

6. Award of Automated Gate Management Scheduling System Agreement

No. 94-0272 Award of Automated Gate Management Scheduling System Agreement to Aeronautical Research, Inc. (ARINC) in the amount of \$49,935.00.

Commissioner Brooks asked if enough manual control would be kept in the event a problem develops with the automated system.

Mr. Turpen responded that manual control would be retained. He explained that we have 10 international gates as well as some hardstand positions where we can remote aircraft. Hardstand positions are not scheduled in order to allow us the flexibility we need should there be a typhoon in the Pacific or something which confuses the schedule. As the new International Terminal will have 26 gates, a manual system will become more and more unwieldy.

San Francisco Airport has become more and more active in the scheduling process. The airlines meet twice a year to develop their worldwide schedule and we have been a participant in those meetings.

This is a computer assisted system which, based on the projected arrival time of an aircraft, projects gate availability and slots airplanes in as appropriate.

7. Bid Call - Contract 3353 - Garage Utility Room 103 - Basement Wall Repair

No. 94-0273 Resolution approving scope, budget and schedule for Contract 3353, and authorizing Director to call for bids.

8. Authorization for Pre-Bid - Two North Terminal Specialty Retail Concession Leases

No. 94-0274

9. Design Approval - North Terminal Newsstand Lease

No. 94-0275

10. Resolution Ratifying Personnel Actions

No. 94-0276

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

11. Travel/Training FY 1994/95

No. 94-0277

* * *

G. NEW BUSINESS:

There was no discussion by the Commission.

* * *

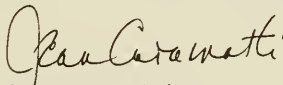
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:26 AM.


Jean Caramatti
Commission Secretary

